SA 1785. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1786. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1787. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1788. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1789. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1790. Mr. MENENDEZ (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1791. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1792. Mr. LANKFORD submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1793. Mrs. FISCHER submitted an amendment intended to be proposed by her to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1794. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1795. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1796. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1797. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1798. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1799. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1800. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1801. Ms. WARREN submitted an amendment intended to be proposed by her to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1802. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1803. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1804. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1805. Ms. HARRIS submitted an amendment intended to be proposed by her to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1806. Ms. HARRIS submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1807. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1808. Mr. SCOTT (for himself, Mr. CRUZ, Mr. INHOFE, Mr. CASSIDY, and Mr. BLUNT) submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1809. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1, supra; which was ordered to lie on the table.

SA 1810. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1662. Ms. BALDWIN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. NEW BUSINESS EXPENDITURES.

(a) IN GENERAL.—Subsections (a) and (b) of section 195 are both amended by inserting ''and organizational'' after ''start-up'' each place it appears.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (c) of section 195 is amended by adding at the end the following new paragraph:

''(3) ORGANIZATIONAL EXPENDITURES.—The term 'organizational expenditures' means any expenditure which—

''(A) is incident to the creation of a corporation or a partnership,

''(B) is chargeable to capital account, and

''(C) is of a character which, if expended incident to the creation of a corporation or a partnership having a limited life, would be amortizable over such life.''.

(c) DOLLAR AMOUNTS.—Clause (ii) of section 195(b)(1)(A) is amended—

(1) by striking ''$5,000'' and inserting ''$20,000''; and

(2) by striking ''$50,000'' and inserting ''$120,000''.

(d) AMORTIZATION TREATMENT.—Subparagraph (B) of section 195(b)(1), as amended by subsection (a), is amended to read as follows:

''(B) the remainder of such start-up and organizational expenditures shall be charged to capital account and allowed as an amortization deduction determined by amortizing such expenditures ratably over the 15-year period beginning with the midpoint of the taxable year in which the active trade or business begins.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 195(b)(1) is amended—

(A) by inserting ''(or, in the case of a partnership, the partnership elects)'' after ''If a taxpayer elects''; and

(B) by inserting ''(or the partnership, as the case may be)'' after ''the taxpayer'' in subparagraph (A).

(2) Section 195(b)(2) is amended—

(A) by striking ''AMORTIZATION PERIOD.—In any case'' and inserting the following: ''AMORTIZATION PERIOD.—

''(A) IN GENERAL.—In any case''; and

(B) by adding at the end the following new subparagraph:

''(B) SPECIAL PARTNERSHIP RULE.—In the case of a partnership, subparagraph (A) shall be applied at the partnership level.''.

(3) Section 195(b) is amended by striking paragraph (3).

(4)(A) Part VIII of subchapter B of chapter 1 of such Code is amended by striking section 248 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 170(b)(2)(C)(ii) is amended by striking ''(except section 248)''.

(C) Section 312(n)(3) is amended by striking ''Sections 173 and 248'' and inserting ''Section 173''.

(D) Section 535(b)(3) is amended by striking ''(except section 248)''.

(E) Section 545(b)(3) is amended by striking ''(except section 248)''.

(F) Section 834(c)(7) is amended by striking ''(except section 248)''.

(G) Section 852(b)(2)(C) is amended by striking ''(except section 248)''.

(H) Section 857(b)(2)(A) is amended by striking ''(except section 248)''.

(I) Section 1363(b) is amended by inserting ''and'' at the end of paragraph (2), by striking paragraph (3), and by redesignating paragraph (4) as paragraph (3).

(J) Section 1375(b)(1)(B)(i) is amended by striking ''(other than the deduction allowed by section 248, relating to organization expenditures)''.

(5) Part I of subchapter K of chapter 1 is amended by striking section 709 (and by striking the item relating to such section in the table of sections for such part).

(6) The heading of section 195 (and the item relating to such section in the table of sections for part VI of subchapter B of chapter 1 of such Code) are each amended by inserting ''and organizational'' after ''Start-up''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 2017.

SA 1663. Ms. BALDWIN (for herself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year

2018; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE III—STRONGER WAY

SEC. 30001. TRANSITIONAL JOBS PROGRAM.

(a) PURPOSES.—The purposes of the transitional jobs program under this section are to—

(1) reduce poverty and unemployment;

(2) offer unemployed or partially employed individuals the opportunity to work in a transitional job for the purpose of enabling such individuals to gain, through wage-paying jobs, the experience and skills needed to move into regular employment; and

(3) assist employers to create new regular employment.

(b) DEFINITIONS.—In this section:

(1) EMPLOYER OF RECORD.—The term ''employer of record'' means a local government, nonprofit, or for-profit entity selected under subsection (c)(3)(C)(i) to carry out the responsibilities described in subsection (c)(4).

(2) HOST SITE EMPLOYER.—The term ''host site employer'' means an employer that—

(A) provides an individual who is eligible for a transitional job with the opportunity to work in a specific transitional job for which the individual is qualified, as determined by such employer, at a worksite that is under the direct supervision of such employer; and

(B) agrees to be responsible for—

(i) selecting, training, and supervising the transitional job worker, including providing a written job description, initial training, ongoing management, and periodic performance reviews;

(ii) certifying to the employer of record, in the manner prescribed by the Secretary, the number of hours that the transitional job worker has worked for the host site employer; and

(iii) cooperating with the employer of record in facilitating the movement of the transitional job worker into regular employment.

(3) LOCAL AREA.—The term ''local area'' means a city, county, or other general purpose political subdivision of a State.

(4) REGULAR EMPLOYMENT.—The term ''regular employment'' means regular, unsubsidized employment, as defined by the Secretary.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(6) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(7) TRANSITIONAL JOB.—The term ''transitional job'' means a job offered to an eligible individual through the program authorized under subsection (c) that—

(A) provides the rate of pay described in subsection (c)(4)(F); and

(B) provides the individual with employment of—

(i) not less than 16 hours per week; and

(ii) not more than 40 hours per week, when combined with any hours per week of work that the individual is employed through any other employer (if applicable).

(c) TRANSITIONAL JOBS.—

(1) PROGRAM AUTHORIZED.—From amounts made available under subsection (d), the Secretary shall establish a program, through grant agreements described in paragraph (3) with State and local government agencies, that provides eligible unemployed or partially employed individuals with opportunities to work in a transitional job for the purpose of enabling such individuals to gain, through wage-paying jobs, the experience and skills needed to move into regular employment.

(2) ELIGIBILITY.—To be eligible for a transitional job, an individual shall—

(A) be a resident of the United States, and a resident of the State in which the individual applies for a transitional job;

(B) be not less than 18 years of age;

(C) not be incarcerated in any Federal or State penal institution, unless the individual is participating in a work-release program authorized by the United States or a State and the United States or the State authorizes employment under this circumstance in a transitional job; and

(D) be unemployed, or employed for less than 30 hours per week, for not less than 4 consecutive weeks preceding the individual's application for a transitional job.

(3) TRANSITIONAL JOBS PROGRAM ADMINISTRATION.—

(A) IN GENERAL.—The Secretary shall enter into agreements with State and local government agencies under which—

(i) the State and local government agencies carry out all activities described in subparagraph (C); and

(ii) the Secretary provides grants to the State and local government agencies to carry out such activities.

(B) SELECTION CRITERIA.—The Secretary shall select State and local government agencies for the agreements described in subparagraph (A) based on—

(i) the agencies' level of experience and commitment to transitional jobs programs; and

(ii) such other criteria as the Secretary determines appropriate, which may include criteria relating to the implementation by such agencies of transitional jobs program models under this section.

(C) ACTIVITIES.—The activities described in this paragraph are the following:

(i) Select, on a competitive basis, and enter into a contract with one or more local government, nonprofit, or for-profit entities to—

(I) administer the transitional jobs program in the State or local area to be served; and

(II) function as the employer of record described in paragraph (4).

(ii) Pay each entity selected to serve as an employer of record, based upon the terms of the contract and full documentation of performance, for the entity's performance of its contractually defined services in administering the transitional jobs program, including reimbursement of the entity for appropriate wages and taxes the entity has paid, as required under subparagraphs (F) and (G) of paragraph (4), to or on behalf of eligible individuals who worked in transitional jobs in the entity's capacity as an employer of record. A State or local governmental agency may require a host employer to pay a portion of the appropriate wages and taxes for the individual.

(iii) Cooperate with the Comptroller General of the United States, the Congressional Budget Office, and other Federal and State agencies in the performance of audits and the conduct of fiscal and programmatic oversight.

(iv) Annually submit to the Secretary, and to the Governor or other chief executive officer of the State in which the program is located and the State legislature, a report on the State or local government agency's role and accomplishments in the operation of the transitional jobs program, in a format specified by the Secretary.

(v) Conduct, or enter into arrangements with independent academic or research organizations to conduct, periodic evaluations of the effectiveness of the program within the State or local area served in—

(I) reducing poverty and unemployment;

(II) enabling unemployed and underemployed individuals to gain the experience and skills needed to move into regular employment; and

(III) assisting employers in creating new regular employment.

(vi) Promulgate any rules necessary for the agency's operation of the transitional jobs program.

(D) SCOPE OF PROGRAM.—

(i) IN GENERAL.—The Secretary shall, to the greatest extent practicable and subject to the availability of appropriations, ensure that the agreements described in subparagraph (A) make the transitional jobs program available to eligible individuals in all local areas of all States.

(ii) INDIVIDUALS WITH SIGNIFICANT BARRIERS TO EMPLOYMENT.—Notwithstanding clause (i), a State or local government agency entering into an agreement under subparagraph (A) may, in carrying out the activities described in subparagraph (C), choose to target the assistance to eligible individuals under paragraph (2) who have significant barriers to employment.

(iii) USE OF EXISTING SYSTEMS.—A State or local government agency entering into an agreement under subparagraph (A) may carry out the activities described in subparagraph (C) through, or in alignment with, other subsidized employment and job training activities or systems available within the State or local area.

(4) RESPONSIBILITIES OF AN EMPLOYER OF RECORD.—Each local government, nonprofit, or for-profit entity selected to serve as an employer of record under paragraph (3)(C)(i) shall do each of the following:

(A) Determine the eligibility of individuals applying for the transitional jobs program under this section.

(B) Conduct orientation activities for individuals that the employer of record has determined are eligible for the transitional jobs program.

(C) Assess the education, prior work experience, and other relevant factors of each eligible individual who requests a transitional job, for the purpose of assisting the individual to be successful in applying for and performing well in a specific transitional job.

(D) Connect each eligible individual requesting a transitional job to the one-stop delivery system established under section 121(e) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3151(e)), and to other resources that provide assistance to job seekers.

(E) Offer each eligible individual who desires to work in a transitional job and meets the eligibility requirements under subparagraphs (A) through (D) of paragraph (2) the opportunity to work for a host site employer. The host site employer may be—

(i) the employer of record; or

(ii) another organization that has entered into an agreement with the employer of record, and as part of such agreement, agrees to function as, and meet the responsibilities of, a host site employer, for a period not to exceed 30 weeks, subject to the requirements of paragraph (5).

(F) Pay each individual described in subparagraph (E), for each hour of work performed for the host site employer, an amount at a rate of pay that is equal to, or greater than, the greater of—

(i) the minimum wage rate applicable in the State in which the applicable position is located;

(ii) the wage rate applicable under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206); or

(iii) if the State or local governmental agency determines appropriate, the prevailing wage rate, as determined by the

State or local governmental agency, for the type of work performed by the individual.

(G) With respect to the employment of each individual described in subparagraph (E)—

(i) pay any applicable Federal taxes for employers, including the employer taxes imposed under sections 3111, 3221, and 3301 of the Internal Revenue Code of 1986;

(ii) pay any other State or local government taxes that employers in the relevant State or local area are required to pay;

(iii) withhold from the individual's earnings the taxes imposed under sections 3101 and 3201 of the Internal Revenue Code of 1986, and any other Federal, State, or local tax required to be withheld for employees;

(iv) complete and submit to the appropriate government agencies, all required Federal, State, and local tax-related and employment-related forms that an employer would typically submit, including by ensuring that each individual provides the information necessary for the completion of such forms;

(v) provide the individual with a Form W–2 Wage and Tax Statement for the calendar year;

(vi) provide for workers' compensation coverage for the individual under the applicable Federal and State workers' compensation laws;

(vii) perform, either directly or through an agreement described in subparagraph (E)(ii) with a host site employer, all other functions that an employer would typically perform;

(viii) comply with any applicable requirements for providing health insurance coverage, including under the Patient Protection and Affordable Care Act (Public Law 111–148) and any amendments made by that Act; and

(ix) provide any benefits that are otherwise required of employers in the relevant State or local area.

(H) Ensure that no transitional job would result in a violation of any of the worker protections provided in paragraph (6).

(5) DURATION OF TRANSITIONAL JOB.—

(A) IN GENERAL.—An individual may work in a transitional job for a period not to exceed 30 weeks, as long as—

(i) the individual continues to meet the eligibility requirements for a transitional job under paragraphs (A) through (C) of paragraph (2);

(ii) the individual, during the period of employment in the transitional job, pursues efforts to replace hours of work in the transitional job with regular employment;

(iii) the individual has not—

(I) obtained regular employment that consistently equals or exceeds 30 hours of work per week; or

(II) turned down any appropriate offer for such regular employment, as determined by the Secretary; and

(iv) if the individual receives and accepts an appropriate offer for such regular employment, the individual does not postpone the starting date for such employment beyond the earliest date practicable, as determined by the Secretary, even if such date occurs before the individual has reached the maximum transitional job time period of 30 weeks.

(B) ADDITIONAL TRANSITIONAL JOB.—A State or local government agency administering a transitional jobs program under this subsection shall, subject to the availability of funds, allow an individual who has completed the maximum number of weeks in a transitional job an opportunity to work in a different transitional job, under the same terms and conditions established under this subsection, if the individual—

(i) is unable, after the end of 30 weeks of employment in a transitional job, to find regular employment that consistently equals or exceeds 30 hours per week;

(ii) engages in an intensive job search, as defined by the Secretary, for not less than 4 consecutive weeks following the completion of a transitional job, and remains unable to find regular employment; and

(iii) meets the eligibility requirements under subparagraphs (A) through (E) of paragraph (2).

(6) WORKER PROTECTIONS.—

(A) PROHIBITION AGAINST VIOLATION OF CONTRACTS.—A transitional job shall not violate an existing contract for services or a collective bargaining agreement, and a transitional job that would violate a collective bargaining agreement shall not be undertaken without the written concurrence of the labor organization and employer concerned.

(B) OTHER PROHIBITIONS.—An individual described in paragraph (4)(E) shall not be assigned to a transitional job—

(i) when any other individual is on layoff from the same or any substantially equivalent job;

(ii) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction in its workforce with the intention of filling the vacancy so created with the individual working in the transitional job; or

(iii) if the employer has caused an involuntary reduction to less than full time in hours of any employee in the same or a substantially equivalent job.

(7) EVALUATIONS.—The Secretary may reserve not more than a total of 10 percent of the amounts made available under subsection (d) for—

(A) evaluations of transitional jobs program models implemented with grants awarded under this section; and

(B) other evaluations of grants and activities carried out under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary.

SEC. 30002. POVERTY REDUCTION TAX CREDITS.

(a) REFORM OF EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 is amended—

(A) by amending subsection (b) to read as follows:

''(b) PERCENTAGES AND AMOUNTS.—For purposes of subsection (a):

''(1) PERCENTAGES.—The credit percentage and the phaseout percentage shall be determined as follows:

''In the case of an eligible individual with:	The credit percentage is:	The phase-out percentage is:
No qualifying children	23.15	23.15
1 qualifying child	70	23.85
2 qualifying children	75	24.50
3 or more qualifying children	80	29.70.

''(2) AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned income amount and the phaseout amount shall be determined as follows:

''In the case of an eligible individual with:	The earned income amount is:	The phase-out amount is:
No qualifying children	$6,612	$16,969
1 qualifying child	$8,277	$15,000
2 qualifying children	$9,675	$15,000
3 qualifying children	$12,220	$15,000.

''(B) JOINT RETURNS.—

''(i) IN GENERAL.—Except as provided in clause (ii), in the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A) shall be increased by $5,550.

''(ii) TAXPAYERS WITH NO QUALIFYING CHILDREN.—In the case of a joint return filed by an eligible individual and such individual's spouse who do not have a qualifying child for the taxable year, the phaseout amount in the third column of the first row of the table in subparagraph (A) shall be increased by $8,000.'';

(2) in subclause (II) of subsection (c)(1)(A)(ii), by striking ''attained age 25 but not attained age 65'' and inserting ''attained age 21 but not attained age 67''; and

(3) by amending subsection (j) to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2018, each of the dollar amounts in subparagraph (A) of subsection (b)(2) (after being increased under subparagraph (B) thereof) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017'

for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—If any dollar amount increased under paragraph (1) is not a multiple of $50, such dollar amount shall be rounded to the nearest multiple of $50.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(b) ESTABLISHMENT OF FULLY REFUNDABLE CHILD TAX CREDIT.—

(1) CREDIT MADE REFUNDABLE.—

(A) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(i) by redesignating section 24, as amended by this Act, as section 36C; and

(ii) by moving section 36C (as so redesignated) from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(B) CONFORMING AMENDMENTS.—

(i) Section 36C of such Code, as redesignated by subsection (a), is amended by striking subsection (d).

(ii) The table of sections for subpart A of part IV of subchapter A of chapter 1 of subtitle A of such Code is amended by striking the item relating to section 24.

(iii) The table of sections for subpart C of part IV of subchapter A of chapter 1 of subtitle A of such Code is amended by inserting after the item relating to section 36B the following:

''Sec. 36C. Child tax credit.''.

(iv) Subparagraph (B) of section 45R(f)(3) of such Code is amended to read as follows:

''(B) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A) shall be treated as taxes referred to in such subparagraph.''.

(v) Section 152(f)(6)(B)(ii) of such Code is amended by striking ''section 24'' and inserting ''section 36C''.

(vi) Paragraph (26) of section 501(c) of such Code is amended in the flush matter at the end by striking ''section 24(c)'' and inserting ''section 36C(c)''.

(vii) Section 6211(b)(4)(A) of such Code is amended—

(I) by striking ''24(d),''; and

(II) by inserting '', 36C'' after ''36B''.

(viii) Section 6213(g)(2) of such Code is amended—

(I) in subparagraph (I), by striking ''section 24(e)'' and inserting ''section 36C(e)'';

(II) in subparagraph (L), by striking ''24, or 32'' and inserting ''32, or 36C''; and

(III) in subparagraph (P)—

(aa) by striking ''24(h)(2)'' and inserting ''36C(g)(2)'';

(bb) by striking ''24'' and inserting ''36C''; and

(cc) by striking ''(h)(2) thereof'' and inserting ''(g)(2) thereof''.

(ix) Section 6402(m) of such Code is amended by striking ''24 (by reason of subsection (d) thereof) or 32'' and inserting ''32 or 36C''.

(x) Section 6695(g) of such Code is amended by striking ''24, 25A(a)(1), or 32'' and inserting ''25A(a)(1), 32, or 36C''.

(xi) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting '', 36C'' after ''36B''.

(xii) Section 36C(h) of such Code, as added by this Act, is amended by striking paragraphs (6) and (7).

(2) MODIFICATION OF CREDIT.—

(A) CREDIT AMOUNT.—Subsection (a) of section 36C of the Internal Revenue Code of 1986, as redesignated by subsection (b)(1), is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer with 1 or more qualifying children, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 45 percent of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year.''.

(B) LIMITATIONS.—Subsection (b) of section 36C of such Code, as so redesignated, is amended to read as follows:

''(b) LIMITATION.—

''(1) IN GENERAL.—The amount of the credit determined under subsection (a) for any taxable year shall not exceed an amount equal to the product of $1,000 and the number of qualifying children of the taxpayer for the taxable year.

''(2) REDUCTION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be allowable as a credit under this section (determined after the application of paragraph (1)) shall be reduced (but not below zero) by $50 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds—

''(i) $110,000, in the case of a joint return,

''(ii) $75,000, in the case of an individual who is not married, and

''(iii) $55,000, in the case of a married individual filing a separate return.

''(B) MARITAL STATUS; ADJUSTED GROSS INCOME.—For purposes of this paragraph—

''(i) marital status shall be determined under section 7703, and

''(ii) the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.''.

(C) ADJUSTMENT FOR INFLATION.—Section 36C of such Code, as so redesignated, is amended by inserting after subsection (c) the following new subsection:

''(d) ADJUSTMENT FOR INFLATION.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2018, the $1,000 amount in subsection (b)(1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(2) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.''.

(D) CONFORMING AMENDMENTS.—Section 36C(h) of such Code, as added by this Act, is amended—

(i) by striking paragraphs (2) and (3),

(ii) by redesignating paragraphs (4), (5), and (8) as paragraphs (2), (3), and (4), respectively, and

(iii) by striking ''(2) through (8)'' in paragraph (1) and inserting ''(2), (3), and (4)'',

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

SA 1664. Ms. BALDWIN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart B of part IX of subtitle C of title I, insert the following:

SEC. 13824. INCREASE OF ALTERNATIVE SIMPLIFIED CREDIT.

(a) IN GENERAL.—Subparagraph (A) of section 41(c)(5) is amended by striking ''14 percent (12 percent in the case of taxable years ending before January 1, 2009)'' and inserting ''20 percent''.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 41(c)(5)(B) is amended by striking ''6 percent'' and inserting ''10 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13825. ALLOCATION OF RESEARCH EXPENSES AMONG BUSINESS COMPONENTS.

(a) IN GENERAL.—Subparagraph (A) of section 41(d)(2) is amended by inserting '', and may be applied using a method that relies on reasonable estimation techniques in lieu of contemporaneous accounting to measure employee hours per business component'' before the period.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13826. INCLUSION OF QUALIFIED UPPER-LEVEL EMPLOYEES IN RESEARCH EXPENSE CALCULATION.

(a) IN GENERAL.—Clause (ii) of section 41(b)(2)(B) is amended by inserting '', without regard to the employee's position or management level'' before the period.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13827. REPEAL OF EXCLUSION OF ADAPTIVE RESEARCH.

(a) IN GENERAL.—Paragraph (4) of section 41(d) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), (E), (F), (G), and (H) as subparagraphs (B), (C), (D), (E), (F), and (G), respectively.

(b) CONFORMING AMENDMENT.—Section 174(a)(2)(B), as amended by this Act, is amended by striking ''41(d)(4)(F)'' and inserting ''41(d)(4)(E)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13828. INCLUSION OF COST REDUCTION RESEARCH.

(a) IN GENERAL.—Subparagraph (A) of section 41(d)(3) is amended—

(1) by striking ''or'' at the end of clause (ii),

(2) by striking the period at the end of clause (iii) and inserting '', or'', and

(3) by adding at the end the following new clause:

''(iv) reduction of costs associated with—

''(I) a business component of the taxpayer, or

''(II) research relating to a purpose described in clause (i), (ii), or (iii).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13829. INCLUSION OF OBSOLESCENCE MITIGATION.

(a) IN GENERAL.—Clause (iv) of section 41(d)(3)(A), as added by section 13828, is amended by inserting ''or obsolescence mitigation'' after ''reduction of costs''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13830. ELECTION OF REDUCED CREDIT MAY BE MADE ON AMENDED RETURN.

(a) IN GENERAL.—Subparagraph (C) of section 280C(c)(4), as redesignated by this Act, is amended to read as follows:

''(C) ELECTION.—An election under this paragraph shall made in such manner as the Secretary may prescribe and, once made with respect to a taxable year, shall be irrevocable. Such election may be made on the return of tax for the taxable year to which it applies or on an amended return.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amended returns which are permitted to be filed under the applicable provisions of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

SEC. 13831. INVESTMENT IN CONNECTED MANUFACTURING EQUIPMENT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45T. CONNECTED MANUFACTURING EQUIPMENT.

''(a) AMOUNT OF CREDIT.—For purposes of section 38, the connected manufacturing equipment credit for any taxable year is an amount equal to 10 percent of the qualified connected manufacturing equipment expenditures made by the taxpayer during such year.

''(b) QUALIFIED CONNECTED MANUFACTURING EQUIPMENT EXPENDITURES.—

''(1) IN GENERAL.—Subject to paragraph (2), for purposes of this section, the term 'qualified connected manufacturing equipment expenditures' means an expenditure relating to the purchase or installation of—

''(A) industrial equipment components which contain a microprocessor and can be connected to an electronic communication network, and

''(B) any software, routing, or local area network components necessary to connect components described in subparagraph (A) to an electronic communication network.

''(2) ELIGIBILITY.—The Secretary, in consultation with the Secretary of Commerce, shall identify the types of components described in paragraph (1) which are eligible for the credit under this section.

''(c) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b), as amended by this Act, is amended—

(A) by striking ''plus'' at the end of paragraph (36),

(B) by striking the period at the end of paragraph (37) and inserting '', plus'', and

(C) by adding at the end the following new paragraph:

''(38) the connected manufacturing equipment credit determined under section 45T(a).''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45T. Connected manufacturing equipment credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

SA 1665. Ms. CANTWELL (for herself, Mr. MENENDEZ, Mr. VAN HOLLEN, Mr. BLUMENTHAL, Mr. UDALL, Mr. LEAHY, Ms. HARRIS, and Mr. CARDIN) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11042 and insert the following:

SEC. 11042. MODIFICATION OF TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.

(a) IN GENERAL.—

(1) REPEAL OF TREATMENT.—The amendments made by section 14103 of this Act shall be null and void.

(2) MODIFIED TREATMENT.—Section 965 of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 965. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION SYSTEM OF TAXATION.

''(a) TREATMENT OF DEFERRED FOREIGN INCOME AS SUBPART F INCOME.—In the case of the last taxable year of a deferred foreign income corporation which begins before January 1, 2018—

''(1) all property of such foreign corporation shall be treated as sold on the last day of such taxable year for its fair market value, and, notwithstanding any other provision of this title, any gain or loss arising from such sale shall be taken into account for such taxable year to the extent otherwise provided by this title (except that section 1091 shall not apply to any such loss), and

''(2) the subpart F income of such foreign corporation (as otherwise determined for such taxable year under section 952 without regard to this paragraph and after application of paragraph (1)) shall be increased by the accumulated post-1986 deferred foreign income of such corporation determined as of the close of such taxable year.

Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under paragraph (1).

''(b) REDUCTION IN TAX RATE.—In the case of a United States shareholder of a deferred foreign income corporation, there shall be allowed as a deduction for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of subsection (a)(2) an amount equal to 43 percent of the amount so included in income.

''(c) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'accumulated post-1986 deferred foreign income' means the post-1986 earnings and profits except to the extent such earnings—

''(A) are attributable to income of the deferred foreign income corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter,

''(B) if distributed, would be excluded from the gross income of a United States shareholder under section 959, or

''(C) in the case of any deferred foreign income corporation described in subsection (d)(1)(B) and which is a passive foreign investment company (as defined in section 1297)—

''(i) if distributed, would have been treated as a distribution which is not a dividend, or

''(ii) would have been properly attributable to an unreversed inclusion of a United States person under section 1296.

To the extent provided in regulations or other guidance prescribed by the Secretary, in the case of any controlled foreign corporation which has shareholders which are not United States shareholders, accumulated post-1986 deferred foreign income shall be appropriately reduced by amounts which would be described in subparagraph (B) if such shareholders were United States shareholders. Such regulations or other guidance may provide a similar rule for purposes of subparagraph (C).

''(2) POST-1986 EARNINGS AND PROFITS.—The term 'post-1986 earnings and profits' means the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986, and determined—

''(A) as of the close the taxable year referred to in subsection (a) and after application of subsection (a)(1), and

''(B) without diminution by reason of dividends distributed during such taxable year.

''(d) DEFERRED FOREIGN INCOME CORPORATION.—

''(1) IN GENERAL.—For purposes of this section, the term 'deferred foreign income corporation' means—

''(A) any controlled foreign corporation, and

''(B) any section 902 corporation (as defined in section 909(d)(5) as in effect before the date of the enactment of the Tax Cuts and Jobs Act).

''(2) APPLICATION TO SECTION 902 CORPORATIONS.—

''(A) IN GENERAL.—For purposes of section 951, a section 902 corporation (as so defined) shall be treated as a controlled foreign corporation solely for purposes of taking into account the subpart F income of such corporation under subsection (a), making proper adjustments in the amount of subsequent gains or losses to reflect such gains and losses (including through application of section 961), and applying subsection (f).

''(B) UNITED STATES SHAREHOLDER.—For purposes of this section and the application of subparagraph (A), in the case of a section 902 corporation (as so defined), a shareholder which is a domestic corporation which owns 10 percent or more of the voting stock of such section 902 corporation shall be treated as a United States shareholder.

''(e) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for the applicable percentage of the taxes paid or accrued (or treated as paid or accrued) with respect to any amount which is included in gross income under section 951(a) by reason of subsection (a).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is the amount (expressed as a percentage) equal to 0.43 multiplied by the ratio of—

''(A) the amount included in gross income under section 951(a) by reason of subsection (a)(2), to

''(B) the amount included in gross income under section 951(a) by reason of subsection (a).

''(3) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for the portion of any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(4) COORDINATION WITH SECTION 78.—Section 78 shall not apply to any tax for which credit is not allowable under section 901 by reason of paragraph (1).

''(f) ELECTION TO PAY LIABILITY IN INSTALLMENTS.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder may elect to pay the net tax liability under this section in 8 installments of the following amounts:

''(A) 8 percent of the net tax liability in the case of each of the first 5 of such installments,

''(B) 15 percent of the net tax liability in the case of the 6th such installment,

''(C) 20 percent of the net tax liability in the case of the 7th such installment, and

''(D) 25 percent of the net tax liability in the case of the 8th such installment.

''(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year described in subsection (a) and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

''(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to pay timely assessed with respect to any installment required under this subsection, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

''(4) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under paragraph (1) to pay the net tax liability under this section in installments and a deficiency has been assessed with respect to such net tax liability, the deficiency shall be prorated to the installments payable under paragraph (1). The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

''(5) ELECTION.—Any election under paragraph (1) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a) and shall be made in such manner as the Secretary may provide.

''(6) NET TAX LIABILITY UNDER THIS SECTION.—For purposes of this subsection—

''(A) IN GENERAL.—The net tax liability under this section with respect to any United States shareholder is the excess (if any) of—

''(i) such taxpayer's net income tax for the taxable year described in subsection (a), over

''(ii) such taxpayer's net income tax for such taxable year determined without regard to this section.

''(B) NET INCOME TAX.—The term 'net income tax' means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

''(g) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including rules to disregard any transfer of properties or liabilities (including by contribution and distribution) a substantial purpose of which is the avoidance of the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of section for subpart F of part III of subchapter N of chapter 1 of such Code is amended by striking the item relating to section 965 and inserting the following:

''Sec. 965. Treatment of deferred foreign income upon transition to participation exemption system of taxation.''.

SA 1666. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

In Section 14214 of the Act strike (b) and insert:

''(b) LIMITED ATTRIBUTION UNDER SECTION 318(a)(3).

(1) IN GENERAL. Notwithstanding subsection (a), a foreign corporation shall not be considered a controlled foreign corporation with respect to a United States shareholder if the ownership requirements of subsection (a) would not be satisfied with respect to such foreign corporation but for the attribution under section 318(a)(3) (pursuant to section 958(b)) of ownership to a United States person that is not a related person with respect to such United States shareholder.

(2) RELATED PERSON. For purposes of this subsection, the term ''related person'' has the meaning given such term by section 954(d)(3), except that such section shall be applied by substituting ''United States Shareholder'' for ''controlled foreign corporation'' each place it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and

(2) taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SA 1667. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

[On page_____, beginning with line_____, strike all through page_____, line_____, and insert the following:]

[After subparagraph (3) in proposed section 59A(d) of the Code (Section 14401 of the Act), strike subparagraph (4) and insert the following:

''(4) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Paragraph (1) shall not apply to any amount paid or accrued by a taxpayer for services to the extent of the total services cost with no markup.''

SA 1668. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike Section 14101 of the Act and insert the following:

SEC. 14101 DEDUCTION FOR FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(a) IN GENERAL—Part VIII of subchapter B of chapter 1 is amended by inserting after section 245 the following new section:

SEC. 245A. DEDUCTION FOR FOREIGN SOURCE-PORTION OF DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.

(a) IN GENERAL—In the case of any dividend received from a specified 10-percent owned foreign corporation by a domestic corporation which is a United States shareholder with respect to such foreign corporation, there shall be allowed as a deduction an amount equal to the foreign-sources portion of such dividend.

(b) SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—for purposes of this section—

(1) IN GENERAL—The term 'specified 10-percent owned foreign corporation' means any foreign corporation with respect to which any domestic corporation is a United States shareholder with respect to such corporation.

(2) EXCLUSION OF PASSIVE FOREIGN INVESTMENT COMPANIES—Such term shall not include any corporation which is a passive foreign investment company (as defined in section 1297) with respect to the shareholder and which is not a controlled foreign corporation.

(c) FOREIGN-SOURCE PORTION—for purposes of the section—

(1) IN GENERAL.—The foreign-source portion of any dividend form a specified 10-percent owned foreign corporation is an amount which bears the same ratio to such dividend as—

(A) the undistributed foreign earnings of the specified 10-percent owned foreign corporation, bears to

(B) the total undistributed earnings of such foreign corporation.

(2) UNDISTRIBUTED EARNINGS.—The term 'undistributed earnings' means the amount of the earnings and profits of the specified 10-percent owned foreign corporation (computed in accordance with sections 964(a) and 986)—

(A) As of the close of the taxable year of the specified 10-percent owned foreign corporation in which the dividend is distributed, and

(B) Without diminution by reason of dividends distributed during such taxable year.

(3) UNDISTRIBUTED FOREIGN EARNINGS.—The term 'undistributed foreign earnings' means the portion of the undistributed earnings which is attributable to neither—

(A) Income described in subparagraph (A) of section 245 (a)(5), nor

(B) Dividends described in subparagraph or such section (determined without regard to section 245(a)(12)).

(4) DIVIDENDS FROM LOWER-TIER SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATION.—In the case of any dividend received from a specified 10-percent owned foreign corporation by a specified 10-percent owned foreign corporation, the specified 10-percent owned foreign corporation receiving the dividend shall be treated as a domestic corporation for purposes of determining whether the deduction under section 245A(a) shall be allowed to such specified 10-percent owned foreign corporation.''

(d) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

(1) IN GENERAL—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to any distribution any portion of which constitutes a dividend for which a deduction is allowed under this section.

(2) DENIAL OF DEDUCTION—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer a having elected the benefits of subpart A of part III of subchapter N).

(e) SPECIAL RULES FOR HYBRID DIVIDENDS—

(1) IN GENERAL—Subsection (a) shall not apply to any dividend received by a United States shareholder from a controlled foreign corporation if the dividend is a hybrid dividend.

(2) HYBRID DIVIDENDS OF TIERED CORPORATIONS.—If a controlled foreign corporation with respect to which a domestic corporation is a United States shareholder receives a hybrid dividends form any other controlled foreign corporation with respect to which such domestic corporation is also a Untied States shareholder, then, notwithstanding any other provisions of this title—

(A) The hybrid dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the receiving controlled foreign corporation for the taxable year of the controlled foreign corporation with which the dividend was received, and

(B) The United States shareholder shall include in gross income an amount equal to the shareholder's pro rata share (determined in the same manner as under section 951(a)(2)) of the subpart F income described in subparagraph (A).

(3) DENIAL OF FOREIGN TAX CREDIT, ETC.—The rules of subsection (d) shall apply to any hybrid dividend received by, or any amount included under paragraph (2) In the gross income of, a United States shareholder

(4) HYBRID DIVIDEND—The term 'hybrid dividend' means an amount received from a controlled foreign corporation—

(A) for which a deduction would be allowed under subsection (a) but for this subsection, and

(B) for which the controlled foreign corporation received a deduction (or other tax benefit) from taxes imposed by any foreign country.

(f) SPECIAL RULE FOR PURGING DISTRIBUTIONS OF PASSIVE FOREIGN INVESTMENT COMPANIES—Any amount which is treated as a dividend under section 1291(d)(2)(B) shall not be treated as a dividend for purposes of this section.

(g) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations for the treatment of United States shareholders owning stock of a specified 10 percent owned foreign corporation through a partnership.''.

(b) APPLICATION OF HOLDING PERIOD REQUIREMENT.—Subsection (c) of section 246 is amended—

(1) by striking ''or 245'' in paragraph (1) and inserting ''245, or 245A'', and

(2) by adding at the end the following new paragraph''

''(5) SPECIAL RULES FOR FOREIGN SOURCE PORTION OF DIVIDENDS RECEIVED FROM SPECIFIED 10-PERCENT OWNED FOREIGN CORPORATIONS.—

''(A) 1-YEAR HOLDING PERIOD REQUIREMENT—For purposes of Section 245A—

''(i) paragraph (1)(A) shall be applied—

''(I) by substituting '365 days' for '45 days' each place it appears,

and

''(II) by substituting '731–day period' for '91–day period', and

''(ii) paragraph (2) shall not apply

''(B) STATUS MUST BE MAINTAINED DURING THE HOLDING PERIOD.—For purposes of applying paragraph (1) with respect to section 245A, the taxpayer shall be treated as holding the stock referred to in paragraph (1) for any period only if—

''(i) the specified 10-percent owned foreign corporation referred to in section 245A(a) is a specified 10-percent owned foreign corporation at all times during such period, and

''(ii) the taxpayer is a United States shareholder with respect to such a specified 10-percent owned foreign corporation at all times during such period.''.

(C) APPLICATION OF RULES GENERALLY APPLICABLE TO DEDUCTIONS FOR DIVIDENDS RECEIVED.—

(1) TREATMENT OF DIVIDENDS FROM CERTAIN CORPORATIONS.—Paragraph(1) of section 246(a) is amended by striking ''and 245'' and inserting ''245, and 245A''.

(2) ASSETS GENERATING TAX-EXEMPT PORTION OF DIVIDEND NOT TAKEN INTO ACCOUNT IN ALLOCATING AND APPORTIONING DEDUCTIBLE EXPENSES.—Paragraph (3) of section 864(e) is amended by striking ''or 245(a)'' and inserting ''245(a), or 245A''.

(3) COORDINATION WITH SECTION 1059.—Subparagraph (B) of section 1059(b) (2) is amended by striking ''or 245'' and inserting ''245A''.

(d) COORDINATION WITH FOREIGN TAX CREDIT LIMITATION.—Subsection (b) of section 904 is amended by adding at the end the following new paragraph:

''(5) TREATMENT OF DIVIDENDS FOR WHICH DEDUCTION IS ALLOWED UNDER SECTION 245A.—For purposes of subsection (a), in the case of a domestic corporation which is a United States shareholder with respect to a specified 10-percent owned foreign corporation, such domestic corporation's taxable income from sources without the United States shall be determined without regard to—

''(A) the foreign-source portion of any dividend received from such foreign corporation, and

''(B) any deductions properly allocable to such portion.

Any term which is used in section 245A and in this paragraph shall have the same meaning for purposes of this paragraph as when used in such section.''.

(e) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 951 is amended by striking ''subpart'' and inserting ''title''.

(2) Subsection (a) of section 957 is amended by striking ''subpart'' in the matter preceding paragraph (1) and inserting ''title''.

(3) The table of sections for part VIII of sub-chapter B of chapter 1 is amended by inserting after the item relating to section 245 the following new item:

''Sec 245A. Dividends received by domestic corporations from certain foreign corporations''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SA 1669. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part I of subtitle A of title I, insert the following:

SEC. 11003. ELECTION TO TREAT CAPITAL GAINS AS ORDINARY INCOME.

(a) IN GENERAL.—Section 1(h)(1) is amended by striking ''If'' and inserting ''At the election of the taxpayer, if''.

(b) FORM 1040.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall modify Form 1040 to allow taxpayers to elect to treat their capital gains as ordinary income.

SA 1670. Mr. PERDUE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 78, strike line 11 and all that follows through page 79, line 8 and insert the following:

''(h) SPECIAL RULES FOR SALES OR EXCHANGES IN TAXABLE YEARS 2018 THROUGH 2025.—

''(1) IN GENERAL.—In applying this section with respect to sales or exchanges after December 31, 2017, and before January 1, 2026—

''(A) '6-year' shall be substituted for '5-year' each place it appears in subsections (a), (b)(5)(C)(ii)(I), and (c)(1)(B)(i)(I) and paragraphs (7), (9), (10), and (12) of subsection (d),

''(B) '3 years' shall be substituted for '2 years' each place it appears in subsections (a), (b)(3), (b)(4), (b)(5)(C)(ii)(III), and (c)(1)(B)(ii), and

''(C) '3-year' shall be substituted for '2-year' in subsection (b)(3).

''(2) EXCEPTION FOR BINDING CONTRACTS.—Paragraph (1) shall not apply to any sale or exchange with respect to which there was a written binding contract in effect before January 1, 2018, and at all times thereafter before the sale or exchange.

''(3) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—In the case of sales or exchanges after December 31, 2017, and before January 1, 2026—

''(A) IN GENERAL.—If the average modified adjusted gross income of the taxpayer for the taxable year and the 2 preceding taxable years exceeds $250,000 (twice such amount in the case of a joint return), the amount which would (but for this subsection) be excluded from gross income under subsection (a) for such taxable year shall be reduced (but not below zero) by the amount of such excess.

''(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means, with respect to any taxable year, adjusted gross income determined after application of this section (but without regard to subsection (b)(1) and this paragraph).

''(C) SPECIAL RULE FOR JOINT RETURNS.—In the case of a joint return, the average modified adjusted gross income of the taxpayer shall be determined without regard to any taxable year with respect to which the taxpayer did not file a joint return.''.

SA 1671. Mr. BLUNT submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page ____, line _____, strike ''(6) REGULATIONS.—'' and insert:

''(6) TRANSITION RULES FOR EXISTING INDEBTEDNESS AND LOANS.—

''(A) LIMITATION NOT TO APPLY.—The limitation under paragraph (1) shall not apply to interest paid or accrued by a domestic corporation on pre-November 10, 2017 indebtedness.

''(B) NET INTEREST EXPENSE.—In computing the net interest expense of a taxpayer for any taxable year, there shall not be taken into account—

''(i) any interest paid or accrued by the taxpayer to which subparagraph (A) applies, or

''(ii) any interest on loans made by the taxpayer before November 10, 2017, which is includible in the gross income of such taxpayer for such taxable year.

''(C) PRE-NOVEMBER 10, 2017 INDEBTEDNESS.—For purposes of subparagraph (A), the term 'pre-November 10, 2017 indebtedness' means any indebtedness issued before November 10, 2017. If any such indebtedness is significantly modified after November 9, 2017, such indebtedness shall not be treated as pre-November 10, 2017 indebtedness with respect to any interest paid or accrued on or after the date such modification takes effect.

''(7) REGULATIONS.—

SA 1672. Mr. BLUNT submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page _____, strike line _____ and all that follows through page _____, line _____, and , insert the following:

''(4) TREATMENT OF REASONABLE COMPENSATION AND GUARANTEED PAYMENTS.—

''(A) IN GENERAL.—Qualified business income shall not include—

''(i) reasonable compensation paid to the taxpayer by any qualified trade or business of the taxpayer for services rendered with respect to the trade or business,

''(ii) except as provided in subparagraph (B), any guaranteed payment described in section 707(c) paid to a partner for services rendered with respect to the trade or business, and

''(iii) to the extent provided in regulations, any payment described in section 707(a) to a partner for services rendered with respect to the trade or business.

''(B) EXCEPTION FOR CERTAIN GUARANTEED PAYMENTS.—In the case of a any qualified trade or business which is a specified service trade or business and is subject to the reporting requirements under section 13 of the Securities Exchange Act of 1934, qualified business income shall include guaranteed payments described in section 707(c) which are paid to a partner who owns less than 1 percent of the of the capital and profits interests of the partnership, but only to the extent that such payments do not exceed the amounts paid for the provision of services in the normal course of the trade or business.

SA 1673. Mr. HOEVEN (for himself, Mr. BLUNT, Mr. INHOFE, Mr. WICKER, Mr. ROUNDS, Mr. BOOZMAN, Mr. JOHNSON, Mr. PAUL, and Mrs. CAPITO) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1_____. FLOOR PLAN FINANCING.

(a) APPLICATION OF INTEREST LIMITATION.—

(1) IN GENERAL.—Section 163(j), as amended by section 13301, is amended—

(A) in paragraph (1), by striking ''plus'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', plus'', and by inserting after subparagraph (B) the following new subparagraph:

''(C) the floor plan financing interest of such taxpayer for such taxable year.'', and

(B) in paragraph (4)(C)(i)(II), by inserting '', reduced by the floor plan financing interest,'' after ''business interest of the partnership'', and

(C) by redesignating paragraph (9) as paragraph (10) and inserting after paragraph (8) the following new paragraph:

''(9) FLOOR PLAN FINANCING INTEREST DEFINED.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'floor plan financing interest' means interest which—

''(i) is paid or accrued on floor plan financing indebtedness, and

''(ii) which the taxpayer elects to treat as floor plan financing interest for purposes of this section.

''(B) FLOOR PLAN FINANCING INDEBTEDNESS.—The term 'floor plan financing indebtedness' means indebtedness—

''(i) used to finance the acquisition of motor vehicles held for sale to retail customers, and

''(ii) secured by the inventory so acquired.

''(C) MOTOR VEHICLE.—The term 'motor vehicle' means a motor vehicle that is any of the following:

''(i) An automobile.

''(ii) A truck.

''(iii) A recreational vehicle.

''(iv) A motorcycle.

''(v) A boat.

''(vi) Farm machinery or equipment.

''(vii) Construction machinery or equipment.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(b) EXCEPTION FROM 100 PERCENT EXPENSING.—

(1) IN GENERAL.—Paragraph (6) of section 168(k), as added by section 13201(a)(4), is amended—

(A) by striking ''shall not include any property'' and inserting ''shall not include—

''(A) any property'', and

(B) by adding at the end the following new subparagraph:

''(B) any property used in a trade or business that has floor plan financing indebtedness (as defined in paragraph (9) of section 163(j)), if the floor plan financing interest related to such indebtedness was taken into account under paragraph (1)(C) of such section.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after September 27, 2017, in taxable years ending after such date.

SA 1674. Mr. PAUL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subtitle D of title I, add the following:

PART IV—REPEAL OF FOREIGN ACCOUNT TAX COMPLIANCE ACT

SEC. 14601. REPEAL OF WITHHOLDING AND REPORTING WITH RESPECT TO CERTAIN FOREIGN ACCOUNTS.

(a) IN GENERAL.—Chapter 4 is repealed.

(b) CONFORMING AMENDMENTS FOR RULES FOR ELECTRONICALLY FILED RETURNS.—Section 6011(e)(4) is amended—

(1) by inserting '', as in effect on January 1, 2017'' after ''(as defined in section 1471(d)(5)'', and

(2) by striking ''or 1474(a)''.

(c) CONFORMING AMENDMENT RELATED TO SUBSTITUTE DIVIDENDS.—Section 871(m) is amended by striking ''chapters 3 and 4'' both places it appears and inserting ''chapter 3''.

(d) OTHER CONFORMING AMENDMENTS.—

(1) Section 6414 s amended by striking ''or 4''.

(2) Paragraph (1) of section 6501(b) is amended by striking ''4,''.

(3) Paragraph (2) of section 6501(b) is amended—

(A) by striking ''4,'', and

(B) by striking ''AND WITHOLDING TAXES'' in the heading and inserting ''TAXES AND TAX IMPOSED BY CHAPTER 3''.

(4) Paragraph (3) of section 6513(b) is amended—

(A) by striking ''or 4'', and

(B) by striking ''or 1474(b)''.

(5) Section 6513(c) is amended by striking ''4,''.

(6) Section 6611(e)(4) is amended by striking ''or 4''.

(7) Paragraph (1) of section 6724(d) is amended by striking ''under chapter 4 or''.

(8) Paragraph (2) of section 6724(d) is amended by striking ''or 4''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 14602. REPEAL OF INFORMATION REPORTING WITH RESPECT TO FOREIGN FINANCIAL ASSETS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by striking section 6038D.

(b) REPEAL OF MODIFICATION OF STATUTE OF LIMITATIONS FOR SIGNIFICANT OMISSION OF INCOME IN CONNECTION WITH FOREIGN ASSETS.—

(1) Paragraph (1) of section 6501(e) is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(2) Subparagraph (A) of section 6501(e), as redesignated by paragraph (1), is amended by striking all that precedes clause (i) and inserting the following:

''(A) GENERAL RULE.—If the taxpayer omits from gross income an amount properly included therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within 6 years after the return was filed. For purposes of this subparagraph—''.

(3) Paragraph (2) of section 6229(c) is amended by striking ''and such amount is described in clause (i) or (ii) of section 6501(e)(1)(A)'' and inserting ''which is in excess of 25 percent of the amount of gross income stated in its return''.

(4) Paragraph (8) of section 6501(c) is amended—

(A) by striking ''pursuant to an election under section 1295(b) or'',

(B) by striking ''1298(f)'', and

(C) by striking ''6038D,''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by striking the item related to section 6038D.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this

section shall apply to taxable years ending after the date of the enactment of this Act.

(2) RETURNS.—The amendments made by subsection (b) shall apply to returns filed after the date of the enactment of this Act.

SEC. 14603. REPEAL OF PENALTIES FOR UNDERPAYMENTS ATTRIBUTABLE TO UNDISCLOSED FOREIGN FINANCIAL ASSETS.

(a) IN GENERAL.—Section 6662 is amended—

(1) in subsection (b), by striking paragraph (7) and redesignating paragraph (8) as paragraph (7), and

(2) by striking subsection (j) and redesignating subsection (k) as subsection (j).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 14604. REPEAL OF REPORTING OF ACTIVITIES WITH RESPECT TO PASSIVE FOREIGN INVESTMENT COMPANIES.

(a) IN GENERAL.—Section 1298 is amended by striking subsection (f) and by redesignating subsection (g) as subsection (f).

(b) CONFORMING AMENDMENT.—Section 1291(e) is amended by striking ''and (d)'' and inserting '', (d), and (f)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 14605. REPEAL OF REPORTING REQUIREMENT FOR UNITED STATES OWNERS OF FOREIGN TRUSTS.

(a) IN GENERAL.—Paragraph (1) of section 6048(b) is amended by striking ''shall submit such information as the Secretary may prescribe with respect to such trust for such year and''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 14606. REPEAL OF MINIMUM PENALTY WITH RESPECT TO FAILURE TO REPORT ON CERTAIN FOREIGN TRUSTS.

(a) IN GENERAL.—Section 6677(a) is amended—

(1) by striking ''the greater of $10,000 or'', and

(2) by striking the last sentence and inserting the following: ''In no event shall the penalty under this subsection with respect to any failure exceed the gross reportable amount.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices and returns required to be filed after the date of the enactment of this Act.

SA 1675. Mr. WHITEHOUSE (for himself, Mr. BLUMENTHAL, Mr. VAN HOLLEN, Mr. LEAHY, Mr. MARKEY, Ms. BALDWIN, Mrs. FEINSTEIN, Ms. DUCKWORTH, Mr. REED, and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. 1_____. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.

(a) IN GENERAL.—Subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new part:

''PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS

''Sec. 59B. Fair share tax.

''SEC. 59B. FAIR SHARE TAX.

''(a) GENERAL RULE.—

''(1) PHASE-IN OF TAX.—In the case of any high-income taxpayer, there is hereby imposed for a taxable year (in addition to any other tax imposed by this subtitle) a tax equal to the product of—

''(A) the amount determined under paragraph (2), and

''(B) a fraction (not to exceed 1)—

''(i) the numerator of which is the excess of—

''(I) the taxpayer's adjusted gross income, over

''(II) the dollar amount in effect under subsection (c)(1), and

''(ii) the denominator of which is the dollar amount in effect under subsection (c)(1).

''(2) AMOUNT OF TAX.—The amount of tax determined under this paragraph is an amount equal to the excess (if any) of—

''(A) the tentative fair share tax for the taxable year, over

''(B) the excess of—

''(i) the sum of—

''(I) the regular tax liability (as defined in section 26(b)) for the taxable year, determined without regard to any tax liability determined under this section,

''(II) the tax imposed by section 55 for the taxable year, plus

''(III) the payroll tax for the taxable year, over

''(ii) the credits allowable under part IV of subchapter A (other than sections 27(a), 31, and 34).

''(b) TENTATIVE FAIR SHARE TAX.—For purposes of this section—

''(1) IN GENERAL.—The tentative fair share tax for the taxable year is 30 percent of the excess of—

''(A) the adjusted gross income of the taxpayer, over

''(B) the modified charitable contribution deduction for the taxable year.

''(2) MODIFIED CHARITABLE CONTRIBUTION DEDUCTION.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The modified charitable contribution deduction for any taxable year is an amount equal to the amount which bears the same ratio to the deduction allowable under section 170 (section 642(c) in the case of a trust or estate) for such taxable year as—

''(i) the amount of itemized deductions allowable under the regular tax (as defined in section 55) for such taxable year, determined after the application of section 68, bears to

''(ii) such amount, determined before the application of section 68.

''(B) TAXPAYER MUST ITEMIZE.—In the case of any individual who does not elect to itemize deductions for the taxable year, the modified charitable contribution deduction shall be zero.

''(c) HIGH-INCOME TAXPAYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'high-income taxpayer' means, with respect to any taxable year, any taxpayer (other than a corporation) with an adjusted gross income for such taxable year in excess of $1,000,000 (50 percent of such amount in the case of a married individual who files a separate return).

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of a taxable year beginning after 2018, the $1,000,000 amount under paragraph (1) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $10,000, such amount shall be rounded to the next lowest multiple of $10,000.

''(d) PAYROLL TAX.—For purposes of this section, the payroll tax for any taxable year is an amount equal to the excess of—

''(1) the taxes imposed on the taxpayer under sections 1401, 1411, 3101, 3201, and 3211(a) (to the extent such tax is attributable to the rate of tax in effect under section 3101) with respect to such taxable year or wages or compensation received during such taxable year, over

''(2) the deduction allowable under section 164(f) for such taxable year.

''(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—For purposes of this section, in the case of an estate or trust, adjusted gross income shall be computed in the manner described in section 67(e).

''(f) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter (other than the credit allowed under section 27(a)) or for purposes of section 55.''.

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 is amended by adding at the end the following new item:

''PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1676. Mr. WHITEHOUSE (for himself and Ms. BALDWIN) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) of the Internal Revenue Code of 1986 is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(C) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action between private parties.''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) of such Code is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 of such Code is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SA 1677. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. 1_____. LIFETIME LIMITATION ON NONRECOGNITION OF PROPERTY SOLD TO COMPLY WITH CONFLICT-OF-INTEREST REQUIREMENTS.

(a) IN GENERAL.—Section 1043 is amended by adding at the end the following new subsection:

''(d) LIMITATION.—The amount of gain to which subsection (a) applies with respect to any taxpayer for a taxable year shall not exceed $1,000,000 reduced by the amount of gain to which subsection (a) applied with respect to such taxpayer for all preceding taxable years.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales in taxable years beginning after December 31, 2016.

SA 1678. Mr. SULLIVAN (for himself and Ms. MURKOWSKI) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 14501.

SA 1679. Mr. MORAN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Subtitle __—Tribal Tax and Investment Reform

SEC. __. FINDINGS.

The Congress finds the following:

(1) There is a unique Federal legal and political relationship between the United States and Indian tribes.

(2) Indian tribes have the responsibility and authority to provide governmental programs and services to tribal citizens, develop tribal economies, and build community infrastructure to ensure that Indian reservation lands serve as livable, permanent homes.

(3) The United States Constitution, U.S. Federal Court decisions, Executive orders, and numerous other Federal laws and regulations recognize that Indian tribes are governments, retaining the inherent authority to tax and operate as other governments, including (inter alia) financing projects with government bonds and maintaining eligibility for general tax exemptions via their government status.

(4) Codifying tax parity with respect to tribal governments is consistent with Federal treaties recognizing the sovereignty of tribal governments.

(5) That Indian tribes face historic disadvantages in accessing the underlying capital to build the necessary infrastructure for job creation, and that certain statutory restrictions on tribal governance further inhibit tribes' ability to develop strong governance and economies.

(6) Indian tribes are sometimes excluded from the Internal Revenue Code of 1986 in key provisions which results in unfair tax treatment for tribal citizens or unequal enforcement authority for tribal enforcement agencies.

(7) Congress is vested with the authority to regulate commerce with Indian tribes, and hereby exercises that authority in a manner which furthers tribal self-governance, and in doing so, further affirms the United States government-to-government relationship with Indian tribes.

SEC. __. TREATMENT OF INDIAN TRIBES AS STATES WITH RESPECT TO BOND ISSUANCE.

(a) IN GENERAL.—Subsection (c) of section 7871 of the Internal Revenue Code of 1986 (relating to Indian tribal governments treated as States for certain purposes) is amended to read as follows:

''(c) SPECIAL RULES FOR TAX-EXEMPT BONDS.—In applying section 146 to bonds issued by Indian tribal governments (or subdivisions thereof), the Secretary shall annually—

''(1) establish a national bond volume cap based on the greater of—

''(A) the State population formula approach in section 146(d)(1)(A) (using national tribal population estimates supplied annually by the Department of the Interior in consultation with the Census Bureau), and

''(B) the minimum State ceiling amount in section 146(d)(1)(B) (as adjusted in accordance with the cost of living provision in section 146(d)(2)), and

''(2) allocate such national bond volume cap among all Indian tribal governments seeking such an allocation in a particular year under regulations prescribed by the Secretary.''.

(b) REPEAL OF ESSENTIAL GOVERNMENTAL FUNCTION REQUIREMENTS.—Section 7871 of such Code is further amended by striking subsections (b) and (e).

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after the date of the enactment of this Act.

(2) SUBSECTION (b).—The repeals made by subsection (b) shall apply to transactions after, and obligations issued in calendar years beginning after, the date of the enactment of this Act.

SEC. __. TREATMENT OF PENSION AND EMPLOYEE BENEFIT PLANS MAINTAINED BY TRIBAL GOVERNMENTS.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) QUALIFIED PUBLIC SAFETY EMPLOYEE.—Section 72(t)(10)(B) of the Internal Revenue Code of 1986 (defining qualified public safety employee) is amended by—

(A) striking ''or political subdivision of a State'' and inserting '', political subdivision of a State, or Indian tribe''; and

(B) striking ''such State or political subdivision'' and inserting ''such State, political subdivision, or tribe''.

(2) GOVERNMENTAL PLAN.—The last sentence of section 414(d) of such Code (defining governmental plan) is amended to read as follows: ''The term 'governmental plan' includes a plan established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(3) DOMESTIC RELATIONS ORDER.—Section 414(p)(1)(B)(ii) of such Code (defining domestic relations order) is amended by inserting ''or tribal'' after ''State''.

(4) EXEMPT GOVERNMENTAL DEFERRED COMPENSATION PLAN.—Section 3121(v)(3) of such Code (defining governmental deferred compensation plan) is amended by inserting ''by an Indian tribal government or subdivision thereof,'' after ''political subdivision thereof,''.

(5) GRANDFATHER OF CERTAIN DEFERRED COMPENSATION PLANS.—Section 457 of such Code is amended by adding at the end the following new subsection:

''(h) CERTAIN TRIBAL GOVERNMENT PLANS GRANDFATHERED.—Plans established before the date of enactment of this subsection and maintained by an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing, in compliance with subsection (b) or (f) shall be treated as if established by an eligible employer under subsection (e)(1)(A).''.

(b) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—The last sentence of section 3(32) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(32)) is amended to read as follows: ''The term 'governmental plan' includes a plan established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40) of the Internal Revenue Code of 1986), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(2) DOMESTIC RELATIONS ORDER.—Section 206(d)(3)(B)(ii)(II) of such Act (29 U.S.C. 1056(d)(3)(B)(ii)(II)) is amended by inserting ''or tribal'' after ''State''.

(3) CONFORMING AMENDMENTS.—

(A) Section 4021(b) of such Act (29 U.S.C. 1321(b)) is amended by striking ''or'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ''; or'', and by inserting after paragraph (13) the following new paragraph:

''(14) established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40) of the Internal Revenue Code of 1986), a subdivision of an Indian tribal government (determined in accordance with section 7871(d) of such Code), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(B) Section 4021(b)(2) of such Act (29 U.S.C. 1321(b)(2)) is amended by striking '', or which is described in the last sentence of section 3(32)'' and inserting a comma.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

SEC. _. TREATMENT OF TRIBAL FOUNDATIONS AND CHARITIES LIKE CHARITIES FUNDED AND CONTROLLED BY OTHER GOVERNMENTAL FUNDERS AND SPONSORS.

(a) IN GENERAL.—Section 170(b)(1)(A) of the Internal Revenue Code of 1986 is amended by adding at the end the following: ''For purposes of clause (vi), the term 'governmental unit' includes an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(b) CERTAIN SUPPORTING ORGANIZATIONS.—Section 509(a) of such Code is amended by adding at the end the following: ''For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. _. RECOGNIZING INDIAN TRIBAL GOVERNMENTS FOR PURPOSES OF DETERMINING UNDER THE ADOPTION CREDIT WHETHER A CHILD HAS SPECIAL NEEDS.

(a) IN GENERAL.—Section 23(d)(3) of the Internal Revenue Code of 1986 (defining child with special needs) is amended—

(1) in subparagraph (A), by inserting ''or Indian tribal government'' after ''a State''; and

(2) in subparagraph (B), by inserting ''or Indian tribal government'' after ''such State''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 1680. Mr. MORAN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part VI of subtitle C of title I, add the following:

SEC. 1_____. TREATMENT OF PUBLICLY TRADED PARTNERSHIPS.

(a) EXTENSION OF PUBLICLY TRADED PARTNERSHIP OWNERSHIP STRUCTURE TO ENERGY POWER GENERATION PROJECTS, TRANSPORTATION FUELS, AND RELATED ENERGY ACTIVITIES.—

(1) IN GENERAL.—Subparagraph (E) of section 7704(d)(1) is amended—

(A) by striking ''income and gains derived from the exploration'' and inserting ''income and gains derived from the following:

''(i) MINERALS, NATURAL RESOURCES, ETC.—The exploration'',

(B) by inserting ''or'' before ''industrial source'',

(C) by inserting a period after ''carbon dioxide'', and

(D) by striking '', or the transportation or storage'' and all that follows and inserting the following:

''(ii) RENEWABLE ENERGY.—The generation of electric power (including the leasing of tangible personal property used for such generation) exclusively utilizing any resource described in section 45(c)(1) or energy property described in section 48 (determined without regard to any termination date), or in the case of a facility described in paragraph (3) or (7) of section 45(d) (determined without regard to any placed in service date or date by which construction of the facility is required to begin), the accepting or processing of such resource.

''(iii) ENERGY STORAGE PROPERTY.—The sale of electric power, capacity, resource adequacy, demand response capabilities, or ancillary services that is produced or made available from any equipment or facility (operating as a single unit or as an aggregation of units) the principal function of which is to—

''(I) use mechanical, chemical, electrochemical, hydroelectric, or thermal processes to store energy that was generated at one time for conversion to electricity at a later time; or

''(II) store thermal energy for direct use for heating or cooling at a later time in a manner that avoids the need to use electricity at that later time.

''(iv) COMBINED HEAT AND POWER.—The generation, storage, or distribution of thermal energy exclusively utilizing property described in section 48(c)(3) (determined without regard to subparagraphs (B) and (D) thereof and without regard to any placed in service date).

''(v) RENEWABLE THERMAL ENERGY.—The generation, storage, or distribution of thermal energy exclusively using any resource described in section 45(c)(1) or energy property described in clause (i) or (iii) of section 48(a)(3)(A).

''(vi) WASTE HEAT TO POWER.—The use of recoverable waste energy, as defined in section 371(5) of the Energy Policy and Conservation Act (42 U.S.C. 6341(5)) (as in effect on the date of the enactment of the Tax Cuts and Jobs Act).

''(vii) RENEWABLE FUEL INFRASTRUCTURE.—The storage or transportation of any fuel described in subsection (b), (c), (d), or (e) of section 6426.

''(viii) RENEWABLE FUELS.—The production, storage, or transportation of any renewable fuel described in section 211(o)(1)(J) of the Clean Air Act (42 U.S.C. 7545(o)(1)(J)) (as in effect on the date of the enactment of the Tax Cuts and Jobs Act) or section 40A(d)(1).

''(ix) FUEL DERIVED FROM CAPTURED CARBON DIOXIDE.—The production, storage, or transportation of any fuel which—

''(I) uses carbon dioxide captured from an anthropogenic source or the atmosphere as its primary feedstock, and

''(II) is determined by the Secretary, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to achieve a reduction of not less than a 60 percent in lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(H) of the Clean Air Act) compared to baseline lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(C) of such Act).

This clause shall not apply to any fuel which uses as its primary feedstock carbon dioxide which is deliberately released from naturally-occurring subsurface springs.

''(x) RENEWABLE CHEMICALS.—The production, storage, or transportation of any qualifying renewable chemical (as defined in paragraph (6)).

''(xi) ENERGY EFFICIENT BUILDINGS.—The audit and installation through contract or other agreement of any energy efficient building property described in section 179D(c)(1).

''(xii) GASIFICATION WITH SEQUESTRATION.—The production of any product or the generation of electric power from a project—

''(I) which meets the requirements of subparagraphs (A) and (B) of section 48B(c)(1), and

''(II) not less than 75 percent of the total carbon dioxide emissions of which is qualified carbon dioxide (as defined in section 45Q(b)) which is disposed of or utilized as provided in paragraph (7).

''(xiii) CARBON CAPTURE AND SEQUESTRATION.—

''(I) POWER GENERATION FACILITIES.—The generation or storage of electric power (including associated income from the sale or marketing of energy, capacity, resource adequacy, and ancillary services) produced from any power generation facility which is, or from any power generation unit within, a qualified facility which is described in section 45Q(c) and not less than 50 percent (30 percent in the case of a facility or unit placed in service before January 1, 2017) of the total carbon dioxide emissions of which is qualified carbon dioxide which is disposed of or utilized as provided in paragraph (7).

''(II) OTHER FACILITIES.—The sale of any good or service from any facility (other than a power generation facility) which is a qualified facility described in section 45Q(c) and the captured qualified carbon dioxide (as so defined) of which is disposed of as provided in paragraph (7).''.

(2) RENEWABLE CHEMICAL.—

(A) IN GENERAL.—Section 7704(d) is amended by adding at the end the following new paragraph:

''(6) QUALIFYING RENEWABLE CHEMICAL.—

''(A) IN GENERAL.—The term 'qualifying renewable chemical' means any renewable chemical (as defined in section 9001 of the Agriculture Act of 2014)—

''(i) which is produced by the taxpayer in the United States or in a territory or possession of the United States,

''(ii) which is the product of, or reliant upon, biological conversion, thermal conversion, or a combination of biological and thermal conversion, of renewable biomass (as defined in section 9001(13) of the Farm Security and Rural Investment Act of 2002),

''(iii) the biobased content of which is 95 percent or higher,

''(iv) which is sold or used by the taxpayer—

''(I) for the production of chemical products, polymers, plastics, or formulated products, or

''(II) as chemicals, polymers, plastics, or formulated products,

''(v) which is not sold or used for the production of any food, feed, or fuel, and

''(vi) which is—

''(I) acetic acid, acrylic acid, acyl glutamate, adipic acid, algae oils, algae sugars, 1,4-butanediol (BDO), iso-butanol, n-butanol, C10 and higher hydrocarbons produced from olefin metathesis, carboxylic acids produced from olefin metathesis, cellulosic sugar, diethyl methylene malonate, dodecanedioic acid (DDDA), esters produced from olefin metathesis, ethyl acetate, ethylene glycol, farnesene, 2,5-furandicarboxylic acid, gamma-butyrolactone, glucaric acid, hexamethylenediamine (HMD), 3-hydroxy propionic acid, iso-butene, isoprene, itaconic acid, lactide, levulinic acid, polyhydroxyalkonate (PHA), polylactic acid (PLA), polyethylene furanoate (PEF), polyethylene terephthalate (PET), polyitaconic acid, polyols from vegetable oils, poly(xylitan levulinate ketal), 1,3-propanediol, 1,2-propanediol, rhamnolipids, short and medium chain carboxylic acids produced from anaerobic digestion, succinic acid, terephthalic acid, vegetable fatty acid

derived from ethyl esters containing vegetable oil, or *p*-Xylene, or

''(II) any chemical not described in clause (i) which is a chemical listed by the Secretary for purposes of this paragraph.

''(B) BIOBASED CONTENT.—For purposes of subparagraph (A)(iii), the term 'biobased content percentage' means, with respect to any renewable chemical, the biobased content of such chemical (expressed as a percentage) determined by testing representative samples using the American Society for Testing and Materials (ASTM) D6866.''.

(B) LIST OF OTHER QUALIFYING RENEWABLE CHEMICALS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary's delegate), in consultation with the Secretary of Agriculture, shall establish a program to consider applications from taxpayers for the listing of chemicals under section 7874(d)(6)(A)(vi)(II) (as added by paragraph (1)).

(3) DISPOSAL AND UTILIZATION OF OF CAPTURED CARBON DIOXIDE.—Section 7704(d), as amended by paragraph (2), is amended by adding at the end the following new paragraph:

''(7) DISPOSAL AND UTILIZATION OF CAPTURED CARBON DIOXIDE.—For purposes of clauses (xii)(III) and (xiii)(I) of paragraph (1)(E), carbon dioxide is disposed of or utilized as provided in this paragraph if such carbon dioxide is—

''(A) placed into secure geological storage (as determined under section 45Q(d)(2)),

''(B) used as a tertiary injectant (as defined in section 45Q(d)(3)) in a qualified enhanced oil or natural gas recovery project (as defined in section 45Q(d)(4)) and placed into secure geological storage (as so determined),

''(C) fixated through photosynthesis or chemosynthesis (such as through the growing of algae or bacteria),

''(D) chemically converted to a material or chemical compound in which it is securely stored, or

''(E) used for any other purpose which the Secretary determines has the potential to strengthen or significantly develop a competitive market for carbon dioxide captured from man-made sources.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act, in taxable years ending after such date.

(b) APPLICATION OF QUALIFIED BUSINESS INCOME DEDUCTION TO PUBLICLY TRADED PARTNERSHIPS.—

(1) IN GENERAL.—Section 199A(b)(1)(B), as added by subsection (a), is amended by striking ''and qualified cooperative dividends'' and inserting '', qualified cooperative dividends, and qualified publicly traded partnership income''.

(2) QUALIFIED PUBLICLY TRADED PARTNERSHIP INCOME.—Section 199A(e), as added by subsection (a), is amended by adding at the end the following new paragraph:

''(5) QUALIFIED PUBLICLY TRADED PARTNERSHIP INCOME.—The term 'qualified publicly traded partnership income' means, with respect to any taxpayer, the sum of—

''(A) the net amount of such taxpayer's allocable share of each qualified item of income, gain, deduction, and loss (as defined in subsection (c)(3) and determined after the application of subsection (c)(4)) from a publicly traded partnership (as defined in section 7704(a)) which is not treated as a corporation under section 7704(c), plus

''(B) any gain recognized by such taxpayer upon disposition of its interest in such partnership to the extent such gain is treated as an amount realized from the sale or exchange of property other than a capital asset under section 751(a).''.

(3) CONFORMING AMENDMENT.—Section 199A(c)(1), as added by subsection (a), is amended by adding at the end the following new sentence: ''Such term shall not include any qualified publicly traded partnership income.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

SA 1681. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 104, strike line 1 and all that follows through page 112, line 12 and insert the following:

Subtitle B—Revenue Neutrality

SEC. 12001. ADJUSTMENT OF HIGHEST RATE BRACKETS.

(a) JOINT RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(A), as added by section 11001(a), are amended to read as follows:

''Over $400,000 but not over $480,050	$91,479, plus 35% of the excess over $400,000.
Over $480,050	$119,496.50, plus 39.6% of the excess over $480,050.''.

(b) HEADS OF HOUSEHOLDS.—The last 2 rows of the table contained in section 1(j)(2)(B), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $453,350	$44,348, plus 35% of the excess over $200,000.
Over $453,350	$133,020.50, plus 39.6% of the excess over $453,350.''.

(c) UNMARRIED INDIVIDUALS.—The last 2 rows of the table contained in section 1(j)(2)(C), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $426,700	$45,739.50, plus 35% of the excess over $200,000.
Over $426,700	$125,084.50, plus 39.6% of the excess over $426,700.''.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(D), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $240,026	$45,739.50, plus 35% of the excess over $200,000.
Over $240,026	$59,748.60, plus 39.6% of the excess over $240,026.''.

(e) ESTATES AND TRUSTS.—The last 2 rows of the table contained in section 1(j)(2)(E), as added by section 11001(a), are amended to read as follows:

''Over $9,150 but not over $12,700	$1,839, plus 35% of the excess over $9,150.
Over $12,700	$3,081.50, plus 39.6% of the excess over $12,700.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. CORPORATE TAX RATE.

(a) IN GENERAL.—Section 11(b), as amended by section 13001, is amended by striking ''20 percent'' and inserting ''28 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 12003. DECREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by striking subparagraph (C), as added by this Act.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 2001 is amended to read as follows:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

SEC. 12004. ORDINARY INCOME TREATMENT IN THE CASE OF PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Section 1061, as amended by section 13310(a) of this Act, is amended to read as follows:

''SEC. 1061. PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, so much of—

''(1) the taxpayer's net capital gain with respect to such interests for such taxable year, as does not exceed

''(2) the taxpayer's recharacterization account balance for such taxable year,

shall be treated as ordinary income.

''(b) NET CAPITAL GAIN.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), net capital gain shall be determined under section 1222, except that such section shall be applied—

''(A) without regard to the recharacterization of any item as ordinary income under this section,

''(B) by only taking into account items of gain and loss—

''(i) taken into account by the taxpayer under section 702 with respect to any applicable partnership interest,

''(ii) recognized by the taxpayer on the disposition of any such interest, or

''(iii) recognized by the taxpayer under paragraph (4) on a distribution of property with respect to such interest, and

''(C) in the case of a taxable year for which section 1231 gains (as defined in section 1231(a)(3)(A)) exceed section 1231 losses (as defined in section 1231(a)(3)(B)), by treating property which is taken into account in determining such gains and losses as capital assets held for more than 1 year.

''(2) ALLOCATION TO ITEMS OF GAIN.—The amount treated as ordinary income under subsection (a) shall be allocated ratably among the items of long-term capital gain taken into account in determining net capital gain under paragraph (1).

''(3) RECOGNITION OF GAIN ON DISPOSITION OF APPLICABLE PARTNERSHIP INTERESTS.—Any gain on the disposition of any applicable partnership interest shall be recognized notwithstanding any other provision of this title.

''(4) RECOGNITION OF GAIN ON DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—

''(A) IN GENERAL.—In the case of any distribution of property by a partnership with respect to any applicable partnership interest, the partner receiving such property shall recognize gain equal to the excess (if any) of—

''(i) the fair market value of such property at the time of such distribution, over

''(ii) the adjusted basis of such property in the hands of such partner (determined without regard to subparagraph (B)).

''(B) ADJUSTMENT OF BASIS.—In the case of a distribution to which subparagraph (A) applies, the basis of the distributed property in the hands of the distributee partner shall be the amount determined under subparagraph (A)(i).

''(c) RECHARACTERIZATION ACCOUNT BALANCE.—

''(1) IN GENERAL.—For purposes of this section, the term 'recharacterization account balance' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(A) the sum of—

''(i) the taxpayer's aggregate annual recharacterization amounts with respect to applicable partnership interests for such taxable year, plus

''(ii) the taxpayer's recharacterization account balance for the taxable year preceding such taxable year, over

''(B) the sum of—

''(i) the taxpayer's net ordinary income with respect to applicable partnership interests for such taxable year (determined without regard to this section), plus

''(ii) the amount treated as ordinary income of the taxpayer under this section for the taxable year preceding such taxable year.

''(2) ANNUAL RECHARACTERIZATION AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'annual recharacterization amount' means, with respect to any applicable partnership interest for any partnership taxable year, an amount equal to the product of—

''(i) the specified rate determined under subparagraph (B) for the calendar year in which such taxable year begins, multiplied by

''(ii) the excess (if any) of—

''(I) an amount equal to the applicable percentage of the partnership's aggregate invested capital for such taxable year, over

''(II) the specified capital contribution of the partner with respect to the applicable partnership interest for such taxable year.

If a taxpayer holds an applicable partnership interest for less than the entire taxable year, the amount determined under the preceding sentence shall be ratably reduced.

''(B) SPECIFIED RATE.—For purposes of subparagraph (A), the term 'specified rate' means, with respect to any calendar year, a percentage equal to—

''(i) the Federal long-term rate determined under section 1274(d)(1) for the last month of the calendar year, plus

''(ii) 10 percentage points.

''(C) APPLICABLE PERCENTAGE.—

''(i) IN GENERAL.—The term 'applicable percentage' means, with respect to any applicable partnership interest, the highest percentage of profits of the partnership that could be allocated with respect to such interest for the taxable year (consistent with the partnership agreement and assuming such facts and circumstances with respect to such taxable year as would result in such highest percentage).

''(ii) SECRETARIAL AUTHORITY.—The Secretary shall prescribe rules for the determination of the applicable percentage in cases in which the percentage of profits of a partnership that are to be allocated with respect to an applicable partnership interest varies on the basis of the aggregate amount of such profits. Such rules may provide a percentage which may be used in lieu of the highest percentage determined under clause (i) in cases where such other percentage is consistent with the purposes of this section.

''(D) AGGREGATE INVESTED CAPITAL.—

''(i) IN GENERAL.—The term 'aggregate invested capital' means, with respect to any taxable year, the average daily amount of invested capital of the partnership for such taxable year.

''(ii) INVESTED CAPITAL.—The term 'invested capital' means, with respect to any partnership as of any day, the total cumulative value, determined at the time of contribution, of all money or other property contributed to the partnership on or before such day.

''(iii) REDUCTION FOR LIQUIDATION OF PARTNERSHIP INTERESTS.—The invested capital of a partnership shall be reduced by the aggregate amount distributed in liquidation of interests in the partnership.

''(iv) TREATMENT OF CERTAIN INDEBTEDNESS AS INVESTED CAPITAL.—The following amounts shall be treated as invested capital:

''(I) PARTNER LOANS.—The aggregate value (determined as of the time of the loan) of money or other property which a partner loans to the partnership.

''(II) INDEBTEDNESS ELIGIBLE TO SHARE IN EQUITY OF THE PARTNERSHIP.—The face amount of any convertible debt of the partnership or any debt obligation providing equity participation in the partnership.

''(E) SPECIFIED CAPITAL CONTRIBUTION.—

''(i) IN GENERAL.—The term 'specified capital contribution' means, with respect to any applicable partnership interest for any taxable year, the average daily amount of contributed capital with respect to such interest for such year.

''(ii) CONTRIBUTED CAPITAL.—The term 'contributed capital' means, with respect to applicable partnership interest as of any day, the excess (if any) of—

''(I) the total cumulative value, determined at the time of contribution, of all money or other property contributed by the partner to the partnership with respect to such interest as of such day, over

''(II) the total cumulative value, determined at the time of distribution, of all money or other property distributed by the partnership to the partner with respect to such interest as of such day.

''(iii) TREATMENT OF RELATED PARTY BORROWINGS.—Any amount borrowed directly or indirectly from the partnership or any other partner of the partnership or any person related to such other partner or such partnership shall not be taken into account under this subparagraph. For purposes of the preceding sentence, a person shall be treated as related to another person if the relationship between such persons would be described in section 267(b) or 707(b) if such sections and section 267(f) were applied by substituting '10 percent' for '50 percent' each place it appears.

''(F) MULTIPLE INTERESTS.—If at any time during a taxable year a taxpayer holds directly or indirectly more than 1 applicable partnership interest in a single partnership, such interests shall be treated as 1 applicable partnership interest for purposes of applying this paragraph.

''(3) NET ORDINARY INCOME.—For purposes of this subsection, the net ordinary income with respect to applicable partnership interests for any taxable year is the excess (if any) of—

''(A) the taxpayer's distributive share of items of income and gain under section 702 with respect to applicable partnership interests for such taxable year (determined without regard to any items of gain taken into account in determining net capital gain under subsection (b)(1)), over

''(B) the taxpayer's distributive share of items of deduction and loss under section 702 with respect to such interests for such taxable year (determined without regard to any items of loss taken into account in determining net capital gain under subsection (b)(1)).

''(d) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable partnership interest' means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of services by the taxpayer, or any other person, in any applicable trade or business.

''(2) APPLICABLE TRADE OR BUSINESS.—

''(A) IN GENERAL.—The term 'applicable trade or business' means any trade or business conducted on a regular, continuous, and substantial basis which, regardless of whether the activities are conducted in one or more entities, consists, in whole or in part, of—

''(i) raising or returning capital,

''(ii) investing in (or disposing of) trades or businesses (or identifying trades or businesses for such investing or disposition), and

''(iii) developing such trades or businesses.

''(B) TREATMENT OF RESEARCH AND EXPERIMENTATION ACTIVITIES.—Any activity involving research or experimentation (within the meaning of section 469(c)(5)) shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(C) TREATMENT OF REAL PROPERTY TRADES OR BUSINESSES.—Any activity involving real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(e) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

''(1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a person related to the taxpayer, the taxpayer shall include in gross income (as ordinary income) so much of the taxpayer's recharacterization account balance for such taxable year as is allocable to such interest (determined in such manner as the Secretary may provide and reduced by any amount treated as ordinary income under subsection (a) with respect to the transfer of such interest).

''(2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

''(A) the person is a member of the taxpayer's family within the meaning of section 318(a)(1), or

''(B) the person performed a service within the current calendar year or the preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

''(f) REPORTING BY ENTITY OF TAXPAYER'S ANNUAL RECHARACTERIZATION AMOUNT.—A partnership shall report to the Secretary, and include with the information required to be furnished under section 6031(b) to each partner, the amount of the partner's annual recharacterization amount for the taxable year, if any. A similar rule applies to any entity that receives a report of an annual recharacterization amount for the taxable year.

''(g) COORDINATION WITH SECTION 199A.—No item of income, gain, deduction, or loss, or W-2 wages, which are properly allocable to an applicable partnership interest shall be

taken into account in computing the qualified business income of a taxpayer for purposes of section 199A or the amount of the deduction under such section.

''(h) REGULATIONS.—The Secretary shall issue such regulations or other guidance as necessary to carry out this section, including regulations—

''(1) to prevent the abuse of the purposes of this section, including through—

''(A) the allocation of income to tax indifferent parties, or

''(B) a reduction in the invested capital of the partnership (including attempts to undervalue contributed or loaned property),

''(2) which provide that partnership interests shall not fail to be treated as transferred or held in connection with the performance of services merely because the taxpayer also made contributions to the partnership,

''(3) which provide for the application of this section in cases where the taxpayer has more than 1 applicable interest in a partnership, and

''(4) which provide for the application of this section in cases of tiered structures of entities.''.

(b) COORDINATION WITH SECTION 83.—Subsection (e) of section 83 is amended by striking ''or'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', or'', and by adding at the end the following new paragraph:

''(6) a transfer of a partnership interest to which section 1061 applies.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 13310 of this Act.

SA 1682. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 104, strike line 1 and all that follows through page 112, line 12 and insert the following:

Subtitle B—Revenue Neutrality

PART I—ENSURING REVENUE NEUTRALITY

SEC. 12001. ADJUSTMENT OF HIGHEST RATE BRACKETS.

(a) JOINT RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(A), as added by section 11001(a), are amended to read as follows:

''Over $400,000 but not over $480,050	$91,479, plus 35% of the excess over $400,000.
Over $480,050	$119,496.50, plus 39.6% of the excess over $480,050.''.

(b) HEADS OF HOUSEHOLDS.—The last 2 rows of the table contained in section 1(j)(2)(B), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $453,350	$44,348, plus 35% of the excess over $200,000.
Over $453,350	$133,020.50, plus 39.6% of the excess over $453,350.''.

(c) UNMARRIED INDIVIDUALS.—The last 2 rows of the table contained in section 1(j)(2)(C), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $426,700	$45,739.50, plus 35% of the excess over $200,000.
Over $426,700	$125,084.50, plus 39.6% of the excess over $426,700.''.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(D), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $240,026	$45,739.50, plus 35% of the excess over $200,000.
Over $240,026	$59,748.60, plus 39.6% of the excess over $240,026.''.

(e) ESTATES AND TRUSTS.—The last 2 rows of the table contained in section 1(j)(2)(E), as added by section 11001(a), are amended to read as follows:

''Over $9,150 but not over $12,700	$1,839, plus 35% of the excess over $9,150.
Over $12,700	$3,081.50, plus 39.6% of the excess over $12,700.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. CORPORATE TAX RATE.

(a) IN GENERAL.—Section 11(b), as amended by section 13001, is amended by striking ''20 percent'' and inserting ''28 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 12003. DECREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by striking subparagraph (C), as added by this Act.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 2001 is amended to read as follows:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

SEC. 12004. ORDINARY INCOME TREATMENT IN THE CASE OF PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Section 1061, as amended by section 13310(a) of this Act, is amended to read as follows:

''SEC. 1061. PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, so much of—

''(1) the taxpayer's net capital gain with respect to such interests for such taxable year, as does not exceed

''(2) the taxpayer's recharacterization account balance for such taxable year,

shall be treated as ordinary income.

''(b) NET CAPITAL GAIN.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), net capital gain shall be determined under section 1222, except that such section shall be applied—

''(A) without regard to the recharacterization of any item as ordinary income under this section,

''(B) by only taking into account items of gain and loss—

''(i) taken into account by the taxpayer under section 702 with respect to any applicable partnership interest,

''(ii) recognized by the taxpayer on the disposition of any such interest, or

''(iii) recognized by the taxpayer under paragraph (4) on a distribution of property with respect to such interest, and

''(C) in the case of a taxable year for which section 1231 gains (as defined in section 1231(a)(3)(A)) exceed section 1231 losses (as defined in section 1231(a)(3)(B)), by treating property which is taken into account in determining such gains and losses as capital assets held for more than 1 year.

''(2) ALLOCATION TO ITEMS OF GAIN.—The amount treated as ordinary income under subsection (a) shall be allocated ratably among the items of long-term capital gain taken into account in determining net capital gain under paragraph (1).

''(3) RECOGNITION OF GAIN ON DISPOSITION OF APPLICABLE PARTNERSHIP INTERESTS.—Any gain on the disposition of any applicable partnership interest shall be recognized notwithstanding any other provision of this title.

''(4) RECOGNITION OF GAIN ON DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—

''(A) IN GENERAL.—In the case of any distribution of property by a partnership with respect to any applicable partnership interest, the partner receiving such property shall recognize gain equal to the excess (if any) of—

''(i) the fair market value of such property at the time of such distribution, over

''(ii) the adjusted basis of such property in the hands of such partner (determined without regard to subparagraph (B)).

''(B) ADJUSTMENT OF BASIS.—In the case of a distribution to which subparagraph (A) applies, the basis of the distributed property in the hands of the distributee partner shall be the amount determined under subparagraph (A)(i).

''(c) RECHARACTERIZATION ACCOUNT BALANCE.—

''(1) IN GENERAL.—For purposes of this section, the term 'recharacterization account balance' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(A) the sum of—

''(i) the taxpayer's aggregate annual recharacterization amounts with respect to applicable partnership interests for such taxable year, plus

''(ii) the taxpayer's recharacterization account balance for the taxable year preceding such taxable year, over

''(B) the sum of—

''(i) the taxpayer's net ordinary income with respect to applicable partnership interests for such taxable year (determined without regard to this section), plus

''(ii) the amount treated as ordinary income of the taxpayer under this section for the taxable year preceding such taxable year.

''(2) ANNUAL RECHARACTERIZATION AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'annual recharacterization amount' means, with respect to any applicable partnership interest for any partnership taxable year, an amount equal to the product of—

''(i) the specified rate determined under subparagraph (B) for the calendar year in

which such taxable year begins, multiplied by

''(ii) the excess (if any) of—

''(I) an amount equal to the applicable percentage of the partnership's aggregate invested capital for such taxable year, over

''(II) the specified capital contribution of the partner with respect to the applicable partnership interest for such taxable year.

If a taxpayer holds an applicable partnership interest for less than the entire taxable year, the amount determined under the preceding sentence shall be ratably reduced.

''(B) SPECIFIED RATE.—For purposes of subparagraph (A), the term 'specified rate' means, with respect to any calendar year, a percentage equal to—

''(i) the Federal long-term rate determined under section 1274(d)(1) for the last month of the calendar year, plus

''(ii) 10 percentage points.

''(C) APPLICABLE PERCENTAGE.—

''(i) IN GENERAL.—The term 'applicable percentage' means, with respect to any applicable partnership interest, the highest percentage of profits of the partnership that could be allocated with respect to such interest for the taxable year (consistent with the partnership agreement and assuming such facts and circumstances with respect to such taxable year as would result in such highest percentage).

''(ii) SECRETARIAL AUTHORITY.—The Secretary shall prescribe rules for the determination of the applicable percentage in cases in which the percentage of profits of a partnership that are to be allocated with respect to an applicable partnership interest varies on the basis of the aggregate amount of such profits. Such rules may provide a percentage which may be used in lieu of the highest percentage determined under clause (i) in cases where such other percentage is consistent with the purposes of this section.

''(D) AGGREGATE INVESTED CAPITAL.—

''(i) IN GENERAL.—The term 'aggregate invested capital' means, with respect to any taxable year, the average daily amount of invested capital of the partnership for such taxable year.

''(ii) INVESTED CAPITAL.—The term 'invested capital' means, with respect to any partnership as of any day, the total cumulative value, determined at the time of contribution, of all money or other property contributed to the partnership on or before such day.

''(iii) REDUCTION FOR LIQUIDATION OF PARTNERSHIP INTERESTS.—The invested capital of a partnership shall be reduced by the aggregate amount distributed in liquidation of interests in the partnership.

''(iv) TREATMENT OF CERTAIN INDEBTEDNESS AS INVESTED CAPITAL.—The following amounts shall be treated as invested capital:

''(I) PARTNER LOANS.—The aggregate value (determined as of the time of the loan) of money or other property which a partner loans to the partnership.

''(II) INDEBTEDNESS ELIGIBLE TO SHARE IN EQUITY OF THE PARTNERSHIP.—The face amount of any convertible debt of the partnership or any debt obligation providing equity participation in the partnership.

''(E) SPECIFIED CAPITAL CONTRIBUTION.—

''(i) IN GENERAL.—The term 'specified capital contribution' means, with respect to any applicable partnership interest for any taxable year, the average daily amount of contributed capital with respect to such interest for such year.

''(ii) CONTRIBUTED CAPITAL.—The term 'contributed capital' means, with respect to applicable partnership interest as of any day, the excess (if any) of—

''(I) the total cumulative value, determined at the time of contribution, of all money or other property contributed by the partner to the partnership with respect to such interest as of such day, over

''(II) the total cumulative value, determined at the time of distribution, of all money or other property distributed by the partnership to the partner with respect to such interest as of such day.

''(iii) TREATMENT OF RELATED PARTY BORROWINGS.—Any amount borrowed directly or indirectly from the partnership or any other partner of the partnership or any person related to such other partner or such partnership shall not be taken into account under this subparagraph. For purposes of the preceding sentence, a person shall be treated as related to another person if the relationship between such persons would be described in section 267(b) or 707(b) if such sections and section 267(f) were applied by substituting '10 percent' for '50 percent' each place it appears.

''(F) MULTIPLE INTERESTS.—If at any time during a taxable year a taxpayer holds directly or indirectly more than 1 applicable partnership interest in a single partnership, such interests shall be treated as 1 applicable partnership interest for purposes of applying this paragraph.

''(3) NET ORDINARY INCOME.—For purposes of this subsection, the net ordinary income with respect to applicable partnership interests for any taxable year is the excess (if any) of—

''(A) the taxpayer's distributive share of items of income and gain under section 702 with respect to applicable partnership interests for such taxable year (determined without regard to any items of gain taken into account in determining net capital gain under subsection (b)(1)), over

''(B) the taxpayer's distributive share of items of deduction and loss under section 702 with respect to such interests for such taxable year (determined without regard to any items of loss taken into account in determining net capital gain under subsection (b)(1)).

''(d) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable partnership interest' means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of services by the taxpayer, or any other person, in any applicable trade or business.

''(2) APPLICABLE TRADE OR BUSINESS.—

''(A) IN GENERAL.—The term 'applicable trade or business' means any trade or business conducted on a regular, continuous, and substantial basis which, regardless of whether the activities are conducted in one or more entities, consists, in whole or in part, of—

''(i) raising or returning capital,

''(ii) investing in (or disposing of) trades or businesses (or identifying trades or businesses for such investing or disposition), and

''(iii) developing such trades or businesses.

''(B) TREATMENT OF RESEARCH AND EXPERIMENTATION ACTIVITIES.—Any activity involving research or experimentation (within the meaning of section 469(c)(5)) shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(C) TREATMENT OF REAL PROPERTY TRADES OR BUSINESSES.—Any activity involving real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(e) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

''(1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a person related to the taxpayer, the taxpayer shall include in gross income (as ordinary income) so much of the taxpayer's recharacterization account balance for such taxable year as is allocable to such interest (determined in such manner as the Secretary may provide and reduced by any amount treated as ordinary income under subsection (a) with respect to the transfer of such interest).

''(2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

''(A) the person is a member of the taxpayer's family within the meaning of section 318(a)(1), or

''(B) the person performed a service within the current calendar year or the preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

''(f) REPORTING BY ENTITY OF TAXPAYER'S ANNUAL RECHARACTERIZATION AMOUNT.—A partnership shall report to the Secretary, and include with the information required to be furnished under section 6031(b) to each partner, the amount of the partner's annual recharacterization amount for the taxable year, if any. A similar rule applies to any entity that receives a report of an annual recharacterization amount for the taxable year.

''(g) COORDINATION WITH SECTION 199A.—No item of income, gain, deduction, or loss, or W-2 wages, which are properly allocable to an applicable partnership interest shall be taken into account in computing the qualified business income of a taxpayer for purposes of section 199A or the amount of the deduction under such section.

''(h) REGULATIONS.—The Secretary shall issue such regulations or other guidance as necessary to carry out this section, including regulations—

''(1) to prevent the abuse of the purposes of this section, including through—

''(A) the allocation of income to tax indifferent parties, or

''(B) a reduction in the invested capital of the partnership (including attempts to undervalue contributed or loaned property),

''(2) which provide that partnership interests shall not fail to be treated as transferred or held in connection with the performance of services merely because the taxpayer also made contributions to the partnership,

''(3) which provide for the application of this section in cases where the taxpayer has more than 1 applicable interest in a partnership, and

''(4) which provide for the application of this section in cases of tiered structures of entities.''.

(b) COORDINATION WITH SECTION 83.—Subsection (e) of section 83 is amended by striking ''or'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', or'', and by adding at the end the following new paragraph:

''(6) a transfer of a partnership interest to which section 1061 applies.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 13310 of this Act.

PART II—FISCAL COMMISSION ON REVENUE NEUTRALITY ALTERNATIVES

SEC. 12010. ESTABLISHMENT OF FISCAL COMMISSION.

(a) DEFINITIONS.—In this part:

(1) COMMISSION.—The term ''fiscal commission'' means the Fiscal Commission on Revenue Neutrality Alternatives established under subsection (b)(1).

(2) FISCAL COMMISSION BILL.—The term ''fiscal commission bill'' means a bill consisting of the proposed legislative language

of the fiscal commission recommended under subsection (b)(3)(B)(i)(II) and introduced under section 12011.

(b) ESTABLISHMENT OF FISCAL COMMISSION.—

(1) ESTABLISHMENT.—There is established a joint select committee of Congress to be known as the ''Fiscal Commission on Revenue Neutrality Alternatives''.

(2) GOAL.—The goal of the fiscal commission shall be to increase revenue to the Treasury over the period of fiscal years 2018 to 2027 by an amount that is not less than the amount by which such revenue would be increased over such period as a result of the amendments made by part I of this subtitle.

(3) DUTIES.—

(A) IN GENERAL.—The fiscal commission shall provide recommendations and legislative language for increasing revenue as an alternative to the amendments made by part I of this subtitle.

(B) REPORT, RECOMMENDATIONS, AND LEGISLATIVE LANGUAGE.—

(i) IN GENERAL.—Not later than November 15, 2018, the fiscal commission shall vote on—

(I) a report that contains a detailed statement of the findings, conclusions, and recommendations of the fiscal commission and the estimate of the Congressional Budget Office required by paragraph (5)(D)(ii); and

(II) proposed legislative language to carry out such recommendations as described in subclause (I), which—

(aa) would repeal or modify some or all of the amendments made by part I of this subtitle;

(bb) relates only to revenue; and

(cc) if enacted into law, would result in an increase in revenue to the Treasury over the period of fiscal years 2018 to 2027 in an amount that is not less than the amount by which such revenue would be increased over such period as a result of the amendments made by part I of this subtitle.

Any change to the Rules of the House of Representatives or the Standing Rules of the Senate included in the report or legislative language shall be considered to be merely advisory.

(ii) APPROVAL OF REPORT AND LEGISLATIVE LANGUAGE.—The report of the fiscal commission and the proposed legislative language described in clause (i) shall require the approval of a majority of the members of the fiscal commission.

(iii) TRANSMISSION OF REPORT AND LEGISLATIVE LANGUAGE.—If the report and legislative language are approved by the fiscal commission pursuant to clause (ii), then not later than November 15, 2018, the fiscal commission shall submit the fiscal commission report and legislative language described in clause (i) to the President, the Vice President, the Speaker of the House of Representatives, and the majority and minority Leaders of each House of Congress.

(4) MEMBERSHIP.—

(A) IN GENERAL.—The fiscal commission shall be composed of 12 members appointed pursuant to subparagraph (B).

(B) APPOINTMENT.—Members of the fiscal commission shall be appointed as follows:

(i) The majority leader of the Senate shall appoint 3 members from among Members of the Senate.

(ii) The minority leader of the Senate shall appoint 3 members from among Members of the Senate.

(iii) The Speaker of the House of Representatives shall appoint 3 members from among Members of the House of Representatives.

(iv) The minority leader of the House of Representatives shall appoint 3 members from among Members of the House of Representatives.

(C) CO-CHAIRS.—

(i) IN GENERAL.—There shall be two Co-Chairs of the fiscal commission. The majority leader of the Senate shall appoint one Co-Chair from among the members of the fiscal commission. The Speaker of the House of Representatives shall appoint the second Co-Chair from among the members of the fiscal commission. The Co-Chairs shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(ii) STAFF DIRECTOR.—The Co-Chairs, acting jointly, shall hire the staff director of the fiscal commission.

(D) DATE.—Members of the fiscal commission shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(E) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the fiscal commission. Any vacancy in the fiscal commission shall not affect its powers, but shall be filled not later than 14 calendar days after the date on which the vacancy occurs, in the same manner as the original designation was made. If a member of the fiscal commission ceases to be a Member of the House of Representatives or the Senate, as the case may be, the member is no longer a member of the fiscal commission and a vacancy shall exist.

(5) ADMINISTRATION.—

(A) IN GENERAL.—To enable the fiscal commission to exercise its powers, functions, and duties, there are authorized to be disbursed by the Senate the actual and necessary expenses of the fiscal commission approved by the co-chairs, subject to the rules and regulations of the Senate.

(B) EXPENSES.—In carrying out its functions, the fiscal commission is authorized to incur expenses in the same manner and under the same conditions as the Joint Economic Committee is authorized by section 11 of Public Law 79–304 (15 U.S.C. 1024 (d)).

(C) QUORUM.—Seven members of the fiscal commission shall constitute a quorum for purposes of voting, meeting, and holding hearings.

(D) VOTING.—

(i) PROXY VOTING.—No proxy voting shall be allowed on behalf of the members of the fiscal commission.

(ii) CONGRESSIONAL BUDGET OFFICE ESTIMATES.—The Congressional Budget Office shall provide estimates of the legislation (as described in paragraph (3)(B)) in accordance with sections 308(a) and 201(f) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a) and 601(f))(including estimates of the effect of interest payment on the debt). The fiscal commission may not vote on any version of the report, recommendations, or legislative language unless such estimates are available for consideration by all members of the fiscal commission at least 48 hours prior to the vote as certified by the Co-Chairs.

(E) MEETINGS.—

(i) INITIAL MEETING.—Not later than 45 calendar days after the date of enactment of this Act, the fiscal commission shall hold its first meeting.

(ii) AGENDA.—The Co-Chairs of the fiscal commission shall provide an agenda to the fiscal commission members not less than 48 hours in advance of any meeting.

(F) HEARINGS.—

(i) IN GENERAL.—The fiscal commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, require attendance of witnesses and production of books, papers, and documents, take such testimony, receive such evidence, and administer such oaths as the fiscal commission considers advisable.

(ii) HEARING PROCEDURES AND RESPONSIBILITIES OF CO-CHAIRS.—

(I) ANNOUNCEMENT.—The Co-Chairs of the fiscal commission shall make a public announcement of the date, place, time, and subject matter of any hearing to be conducted, not less than 7 days in advance of such hearing, unless the Co-Chairs determine that there is good cause to begin such hearing at an earlier date.

(II) WRITTEN STATEMENT.—A witness appearing before the fiscal commission shall file a written statement of proposed testimony at least 2 calendar days before the appearance of the witness, unless the requirement is waived by the Co-Chairs, following their determination that there is good cause for failure to comply with such requirement.

(G) TECHNICAL ASSISTANCE.—Upon written request of the Co-Chairs, a Federal agency shall provide technical assistance to the fiscal commission in order for the fiscal commission to carry out its duties.

(c) STAFF OF FISCAL COMMISSION.—

(1) IN GENERAL.—The Co-Chairs of the fiscal commission may jointly appoint and fix the compensation of staff as they deem necessary, within the guidelines for employees of the Senate and following all applicable rules and employment requirements of the Senate.

(2) ETHICAL STANDARDS.—Members on the fiscal commission who serve in the House of Representatives shall be governed by the ethics rules and requirements of the House. Members of the Senate who serve on the fiscal commission and staff of the fiscal commission shall comply with the ethics rules of the Senate.

(d) TERMINATION.—The fiscal commission shall terminate on January 1, 2019.

SEC. 12011. EXPEDITED CONSIDERATION OF FISCAL COMMISSION RECOMMENDATIONS.

(a) INTRODUCTION.—If approved by the majority required by section 12010(b)(3)(B)(ii), the proposed legislative language submitted pursuant to section 12010(b)(3)(B)(iii) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the majority leader of the Senate or by a Member of the Senate designated by the majority leader of the Senate and shall be introduced in the House of Representatives (by request) on the next legislative day by the majority leader of the House or by a Member of the House designated by the majority leader of the House.

(b) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) REPORTING AND DISCHARGE.—Any committee of the House of Representatives to which a fiscal commission bill is referred shall report it to the House without amendment not later than 5 calendar days after the date of introduction of a fiscal commission bill described in subsection (a). If a committee fails to report the fiscal commission bill within that period, the committee shall be discharged from further consideration of the fiscal commission bill and the fiscal commission bill shall be referred to the appropriate calendar.

(2) PROCEEDING TO CONSIDERATION.—After each committee authorized to consider a fiscal commission bill reports it to the House or has been discharged from its consideration, it shall be in order, not later than the sixth day after introduction of a fiscal commission bill under subsection (a), to move to proceed to consider the fiscal commission bill in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on a fiscal commission bill addressing a particular submission. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(3) CONSIDERATION.—The fiscal commission bill shall be considered as read. All points of order against the fiscal commission bill and against its consideration are waived. The previous question shall be considered as ordered on the fiscal commission bill to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent. A motion to reconsider the vote on passage of the fiscal commission bill shall not be in order.

(4) VOTE ON PASSAGE.—The vote on passage of the fiscal commission bill shall occur not later than November 30, 2018.

(c) EXPEDITED PROCEDURE IN THE SENATE.—

(1) COMMITTEE CONSIDERATION.—A fiscal commission bill introduced in the Senate under subsection (a) shall be jointly referred to the committee or committees of jurisdiction, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation, not later than 5 calendar days after the date of introduction described in subsection (a). If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

(2) MOTION TO PROCEED.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than 2 days of session after the date on which a fiscal commission bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the fiscal commission bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the fiscal commission bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the fiscal commission bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the fiscal commission bill is agreed to, the fiscal commission bill shall remain the unfinished business until disposed of.

(3) CONSIDERATION.—All points of order against the fiscal commission bill and against consideration of the fiscal commission bill are waived. Consideration of the fiscal commission bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 30 hours which shall be divided equally between the Majority and Minority Leaders or their designees. A motion further to limit debate on the fiscal commission bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the fiscal commission bill, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

(4) NO AMENDMENTS.—An amendment to the fiscal commission bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the fiscal commission bill, is not in order.

(5) VOTE ON PASSAGE.—If the Senate has voted to proceed to the fiscal commission bill, the vote on passage of the fiscal commission bill shall occur immediately following the conclusion of the debate on a fiscal commission bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the fiscal commission bill shall occur not later than December 15, 2018.

(6) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a fiscal commission bill shall be decided without debate.

(d) AMENDMENT.—The fiscal commission bill shall not be subject to amendment in either the House of Representatives or the Senate.

(e) CONSIDERATION BY THE OTHER HOUSE.—

(1) IN GENERAL.—If, before passing the fiscal commission bill, one House receives from the other a fiscal commission bill—

(A) the fiscal commission bill of the other House shall not be referred to a committee; and

(B) the procedure in the receiving House shall be the same as if no fiscal commission bill had been received from the other House until the vote on passage, when the fiscal commission bill received from the other House shall supplant the fiscal commission bill of the receiving House.

(2) REVENUE MEASURE.—This subsection shall not apply to the House of Representatives if the fiscal commission bill received from the Senate is a revenue measure.

(f) RULES TO COORDINATE ACTION WITH OTHER HOUSE.—

(1) TREATMENT OF FISCAL COMMISSION BILL OF OTHER HOUSE.—If the Senate fails to introduce or consider a fiscal commission bill under this section, the fiscal commission bill of the House shall be entitled to expedited floor procedures under this section.

(2) TREATMENT OF COMPANION MEASURES IN THE SENATE.—If following passage of the fiscal commission bill in the Senate, the Senate then receives the fiscal commission bill from the House of Representatives, the House-passed fiscal commission bill shall not be debatable. The vote on passage of the fiscal commission bill in the Senate shall be considered to be the vote on passage of the fiscal commission bill received from the House of Representatives.

(3) VETOES.—If the President vetoes the fiscal commission bill, debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

(g) LOSS OF PRIVILEGE.—The provisions of this section shall cease to apply to the fiscal commission bill if—

(1) the fiscal commission fails to vote on the report or proposed legislative language required under section 12010(b)(3)(B)(i) not later than November 15, 2018;

(2) the fiscal commission bill does not meet the requirements of section 12010(b)(3)(B)(i)(II); or

(3) the fiscal commission bill does not pass both Houses not later than December 15, 2018.

SEC. 12012. FUNDING.

Funding for the fiscal commission shall be derived in equal portions from—

(1) the applicable accounts of the House of Representatives; and

(2) the contingent fund of the Senate from the appropriations account ''Miscellaneous Items'', subject to the rules and regulations of the Senate.

SEC. 12013. RULEMAKING.

The provisions of this part are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

SA 1683. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 104, strike line 1 and all that follows through page 112, line 12 and insert the following:

Subtitle B—Revenue Neutrality

PART I—ENSURING REVENUE NEUTRALITY

SEC. 12001. ADJUSTMENT OF HIGHEST RATE BRACKETS.

(a) JOINT RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(A), as added by section 11001(a), are amended to read as follows:

''Over $400,000 but not over $480,050	$91,479, plus 35% of the excess over $400,000.
Over $480,050	$119,496.50, plus 39.6% of the excess over $480,050.''.

(b) HEADS OF HOUSEHOLDS.—The last 2 rows of the table contained in section 1(j)(2)(B), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $453,350	$44,348, plus 35% of the excess over $200,000.
Over $453,350	$133,020.50, plus 39.6% of the excess over $453,350.''.

(c) UNMARRIED INDIVIDUALS.—The last 2 rows of the table contained in section 1(j)(2)(C), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $426,700	$45,739.50, plus 35% of the excess over $200,000.
Over $426,700	$125,084.50, plus 39.6% of the excess over $426,700.''.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(D), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $240,026	$45,739.50, plus 35% of the excess over $200,000.
Over $240,026	$59,748.60, plus 39.6% of the excess over $240,026.''.

(e) ESTATES AND TRUSTS.—The last 2 rows of the table contained in section 1(j)(2)(E), as added by section 11001(a), are amended to read as follows:

''Over $9,150 but not over $12,700	$1,839, plus 35% of the excess over $9,150.
Over $12,700	$3,081.50, plus 39.6% of the excess over $12,700.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 12002. CORPORATE TAX RATE.

(a) IN GENERAL.—Section 11(b), as amended by section 13001, is amended by striking ''20 percent'' and inserting ''28 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 12003. DECREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by striking subparagraph (C), as added by this Act.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 2001 is amended to read as follows:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

SEC. 12004. ORDINARY INCOME TREATMENT IN THE CASE OF PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Section 1061, as amended by section 13310(a) of this Act, is amended to read as follows:

''SEC. 1061. PARTNERSHIP INTERESTS HELD IN CONNECTION WITH PERFORMANCE OF SERVICES.

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, so much of—

''(1) the taxpayer's net capital gain with respect to such interests for such taxable year, as does not exceed

''(2) the taxpayer's recharacterization account balance for such taxable year,

shall be treated as ordinary income.

''(b) NET CAPITAL GAIN.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), net capital gain shall be determined under section 1222, except that such section shall be applied—

''(A) without regard to the recharacterization of any item as ordinary income under this section,

''(B) by only taking into account items of gain and loss—

''(i) taken into account by the taxpayer under section 702 with respect to any applicable partnership interest,

''(ii) recognized by the taxpayer on the disposition of any such interest, or

''(iii) recognized by the taxpayer under paragraph (4) on a distribution of property with respect to such interest, and

''(C) in the case of a taxable year for which section 1231 gains (as defined in section 1231(a)(3)(A)) exceed section 1231 losses (as defined in section 1231(a)(3)(B)), by treating property which is taken into account in determining such gains and losses as capital assets held for more than 1 year.

''(2) ALLOCATION TO ITEMS OF GAIN.—The amount treated as ordinary income under subsection (a) shall be allocated ratably among the items of long-term capital gain taken into account in determining net capital gain under paragraph (1).

''(3) RECOGNITION OF GAIN ON DISPOSITION OF APPLICABLE PARTNERSHIP INTERESTS.—Any gain on the disposition of any applicable partnership interest shall be recognized notwithstanding any other provision of this title.

''(4) RECOGNITION OF GAIN ON DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—

''(A) IN GENERAL.—In the case of any distribution of property by a partnership with respect to any applicable partnership interest, the partner receiving such property shall recognize gain equal to the excess (if any) of—

''(i) the fair market value of such property at the time of such distribution, over

''(ii) the adjusted basis of such property in the hands of such partner (determined without regard to subparagraph (B)).

''(B) ADJUSTMENT OF BASIS.—In the case of a distribution to which subparagraph (A) applies, the basis of the distributed property in the hands of the distributee partner shall be the amount determined under subparagraph (A)(i).

''(c) RECHARACTERIZATION ACCOUNT BALANCE.—

''(1) IN GENERAL.—For purposes of this section, the term 'recharacterization account balance' means, with respect to any taxpayer for any taxable year, the excess (if any) of—

''(A) the sum of—

''(i) the taxpayer's aggregate annual recharacterization amounts with respect to applicable partnership interests for such taxable year, plus

''(ii) the taxpayer's recharacterization account balance for the taxable year preceding such taxable year, over

''(B) the sum of—

''(i) the taxpayer's net ordinary income with respect to applicable partnership interests for such taxable year (determined without regard to this section), plus

''(ii) the amount treated as ordinary income of the taxpayer under this section for the taxable year preceding such taxable year.

''(2) ANNUAL RECHARACTERIZATION AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'annual recharacterization amount' means, with respect to any applicable partnership interest for any partnership taxable year, an amount equal to the product of—

''(i) the specified rate determined under subparagraph (B) for the calendar year in which such taxable year begins, multiplied by

''(ii) the excess (if any) of—

''(I) an amount equal to the applicable percentage of the partnership's aggregate invested capital for such taxable year, over

''(II) the specified capital contribution of the partner with respect to the applicable partnership interest for such taxable year.

If a taxpayer holds an applicable partnership interest for less than the entire taxable year, the amount determined under the preceding sentence shall be ratably reduced.

''(B) SPECIFIED RATE.—For purposes of subparagraph (A), the term 'specified rate' means, with respect to any calendar year, a percentage equal to—

''(i) the Federal long-term rate determined under section 1274(d)(1) for the last month of the calendar year, plus

''(ii) 10 percentage points.

''(C) APPLICABLE PERCENTAGE.—

''(i) IN GENERAL.—The term 'applicable percentage' means, with respect to any applicable partnership interest, the highest percentage of profits of the partnership that could be allocated with respect to such interest for the taxable year (consistent with the partnership agreement and assuming such facts and circumstances with respect to such taxable year as would result in such highest percentage).

''(ii) SECRETARIAL AUTHORITY.—The Secretary shall prescribe rules for the determination of the applicable percentage in cases in which the percentage of profits of a partnership that are to be allocated with respect to an applicable partnership interest varies on the basis of the aggregate amount of such profits. Such rules may provide a percentage which may be used in lieu of the highest percentage determined under clause (i) in cases where such other percentage is consistent with the purposes of this section.

''(D) AGGREGATE INVESTED CAPITAL.—

''(i) IN GENERAL.—The term 'aggregate invested capital' means, with respect to any taxable year, the average daily amount of invested capital of the partnership for such taxable year.

''(ii) INVESTED CAPITAL.—The term 'invested capital' means, with respect to any partnership as of any day, the total cumulative value, determined at the time of contribution, of all money or other property contributed to the partnership on or before such day.

''(iii) REDUCTION FOR LIQUIDATION OF PARTNERSHIP INTERESTS.—The invested capital of a partnership shall be reduced by the aggregate amount distributed in liquidation of interests in the partnership.

''(iv) TREATMENT OF CERTAIN INDEBTEDNESS AS INVESTED CAPITAL.—The following amounts shall be treated as invested capital:

''(I) PARTNER LOANS.—The aggregate value (determined as of the time of the loan) of money or other property which a partner loans to the partnership.

''(II) INDEBTEDNESS ELIGIBLE TO SHARE IN EQUITY OF THE PARTNERSHIP.—The face amount of any convertible debt of the partnership or any debt obligation providing equity participation in the partnership.

''(E) SPECIFIED CAPITAL CONTRIBUTION.—

''(i) IN GENERAL.—The term 'specified capital contribution' means, with respect to any applicable partnership interest for any taxable year, the average daily amount of contributed capital with respect to such interest for such year.

''(ii) CONTRIBUTED CAPITAL.—The term 'contributed capital' means, with respect to applicable partnership interest as of any day, the excess (if any) of—

''(I) the total cumulative value, determined at the time of contribution, of all money or other property contributed by the partner to the partnership with respect to such interest as of such day, over

''(II) the total cumulative value, determined at the time of distribution, of all money or other property distributed by the partnership to the partner with respect to such interest as of such day.

''(iii) TREATMENT OF RELATED PARTY BORROWINGS.—Any amount borrowed directly or indirectly from the partnership or any other partner of the partnership or any person related to such other partner or such partnership shall not be taken into account under this subparagraph. For purposes of the preceding sentence, a person shall be treated as related to another person if the relationship between such persons would be described in section 267(b) or 707(b) if such sections and section 267(f) were applied by substituting '10 percent' for '50 percent' each place it appears.

''(F) MULTIPLE INTERESTS.—If at any time during a taxable year a taxpayer holds directly or indirectly more than 1 applicable partnership interest in a single partnership, such interests shall be treated as 1 applicable partnership interest for purposes of applying this paragraph.

''(3) NET ORDINARY INCOME.—For purposes of this subsection, the net ordinary income with respect to applicable partnership interests for any taxable year is the excess (if any) of—

''(A) the taxpayer's distributive share of items of income and gain under section 702

with respect to applicable partnership interests for such taxable year (determined without regard to any items of gain taken into account in determining net capital gain under subsection (b)(1)), over

''(B) the taxpayer's distributive share of items of deduction and loss under section 702 with respect to such interests for such taxable year (determined without regard to any items of loss taken into account in determining net capital gain under subsection (b)(1)).

''(d) APPLICABLE PARTNERSHIP INTEREST.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable partnership interest' means any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of services by the taxpayer, or any other person, in any applicable trade or business.

''(2) APPLICABLE TRADE OR BUSINESS.—

''(A) IN GENERAL.—The term 'applicable trade or business' means any trade or business conducted on a regular, continuous, and substantial basis which, regardless of whether the activities are conducted in one or more entities, consists, in whole or in part, of—

''(i) raising or returning capital,

''(ii) investing in (or disposing of) trades or businesses (or identifying trades or businesses for such investing or disposition), and

''(iii) developing such trades or businesses.

''(B) TREATMENT OF RESEARCH AND EXPERIMENTATION ACTIVITIES.—Any activity involving research or experimentation (within the meaning of section 469(c)(5)) shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(C) TREATMENT OF REAL PROPERTY TRADES OR BUSINESSES.—Any activity involving real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage shall be treated as a trade or business for purposes of clauses (ii) and (iii) of subparagraph (A).

''(e) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST TO RELATED PERSON.—

''(1) IN GENERAL.—If a taxpayer transfers any applicable partnership interest, directly or indirectly, to a person related to the taxpayer, the taxpayer shall include in gross income (as ordinary income) so much of the taxpayer's recharacterization account balance for such taxable year as is allocable to such interest (determined in such manner as the Secretary may provide and reduced by any amount treated as ordinary income under subsection (a) with respect to the transfer of such interest).

''(2) RELATED PERSON.—For purposes of this paragraph, a person is related to the taxpayer if—

''(A) the person is a member of the taxpayer's family within the meaning of section 318(a)(1), or

''(B) the person performed a service within the current calendar year or the preceding three calendar years in any applicable trade or business in which or for which the taxpayer performed a service.

''(f) REPORTING BY ENTITY OF TAXPAYER'S ANNUAL RECHARACTERIZATION AMOUNT.—A partnership shall report to the Secretary, and include with the information required to be furnished under section 6031(b) to each partner, the amount of the partner's annual recharacterization amount for the taxable year, if any. A similar rule applies to any entity that receives a report of an annual recharacterization amount for the taxable year.

''(g) COORDINATION WITH SECTION 199A.—No item of income, gain, deduction, or loss, or W-2 wages, which are properly allocable to an applicable partnership interest shall be taken into account in computing the qualified business income of a taxpayer for purposes of section 199A or the amount of the deduction under such section.

''(h) REGULATIONS.—The Secretary shall issue such regulations or other guidance as necessary to carry out this section, including regulations—

''(1) to prevent the abuse of the purposes of this section, including through—

''(A) the allocation of income to tax indifferent parties, or

''(B) a reduction in the invested capital of the partnership (including attempts to undervalue contributed or loaned property),

''(2) which provide that partnership interests shall not fail to be treated as transferred or held in connection with the performance of services merely because the taxpayer also made contributions to the partnership,

''(3) which provide for the application of this section in cases where the taxpayer has more than 1 applicable interest in a partnership, and

''(4) which provide for the application of this section in cases of tiered structures of entities.''.

(b) COORDINATION WITH SECTION 83.—Subsection (e) of section 83 is amended by striking ''or'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', or'', and by adding at the end the following new paragraph:

''(6) a transfer of a partnership interest to which section 1061 applies.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 13310 of this Act.

PART II—FISCAL COMMISSION ON REVENUE NEUTRALITY ALTERNATIVES

SEC. 12010. ESTABLISHMENT OF FISCAL COMMISSION.

(a) DEFINITIONS.—In this part:

(1) COMMISSION.—The term ''fiscal commission'' means the Fiscal Commission on Revenue Neutrality Alternatives established under subsection (b)(1).

(2) FISCAL COMMISSION BILL.—The term ''fiscal commission bill'' means a bill consisting of the proposed legislative language of the fiscal commission recommended under subsection (b)(3)(B)(i)(II) and introduced under section 12011.

(b) ESTABLISHMENT OF FISCAL COMMISSION.—

(1) ESTABLISHMENT.—There is established a joint select committee of Congress to be known as the ''Fiscal Commission on Revenue Neutrality Alternatives''.

(2) GOAL.—The goal of the fiscal commission shall be to reduce the deficit over the period of fiscal years 2018 through 2027 by an amount that is not less than the amount by which the amendments made by part I of this subtitle would reduce the deficit over such period..

(3) DUTIES.—

(A) IN GENERAL.—The fiscal commission shall provide recommendations and legislative language for alternatives to the amendments made in part I of this subtitle that would reduce the deficit over the period of fiscal years 2018 through 2027 by an amount that is not less than the amount by which the amendments made by part I of this subtitle would reduce the deficit over such period.

(B) REPORT, RECOMMENDATIONS, AND LEGISLATIVE LANGUAGE.—

(i) IN GENERAL.—Not later than November 15, 2018, the fiscal commission shall vote on—

(I) a report that contains a detailed statement of the findings, conclusions, and recommendations of the fiscal commission and the estimate of the Congressional Budget Office required by paragraph (5)(D)(ii); and

(II) proposed legislative language to carry out such recommendations as described in subclause (I) that—

(aa) would repeal or modify some or all of the amendments made by part I of this subtitle;

(bb) consists only of provisions which would result in changes in outlays or revenues; and

(cc) if enacted into law, would reduce the deficit over the period of fiscal years 2018 through 2027 by an amount that is not less than the amount by which the amendments made by part I of this subtitle would reduce the deficit over such period.

Any change to the Rules of the House of Representatives or the Standing Rules of the Senate included in the report or legislative language shall be considered to be merely advisory.

(ii) APPROVAL OF REPORT AND LEGISLATIVE LANGUAGE.—The report of the fiscal commission and the proposed legislative language described in clause (i) shall require the approval of a majority of the members of the fiscal commission.

(iii) TRANSMISSION OF REPORT AND LEGISLATIVE LANGUAGE.—If the report and legislative language are approved by the fiscal commission pursuant to clause (ii), then not later than November 15, 2018, the fiscal commission shall submit the fiscal commission report and legislative language described in clause (i) to the President, the Vice President, the Speaker of the House of Representatives, and the majority and minority Leaders of each House of Congress.

(4) MEMBERSHIP.—

(A) IN GENERAL.—The fiscal commission shall be composed of 12 members appointed pursuant to subparagraph (B).

(B) APPOINTMENT.—Members of the fiscal commission shall be appointed as follows:

(i) The majority leader of the Senate shall appoint 3 members from among Members of the Senate.

(ii) The minority leader of the Senate shall appoint 3 members from among Members of the Senate.

(iii) The Speaker of the House of Representatives shall appoint 3 members from among Members of the House of Representatives.

(iv) The minority leader of the House of Representatives shall appoint 3 members from among Members of the House of Representatives.

(C) CO-CHAIRS.—

(i) IN GENERAL.—There shall be two Co-Chairs of the fiscal commission. The majority leader of the Senate shall appoint one Co-Chair from among the members of the fiscal commission. The Speaker of the House of Representatives shall appoint the second Co-Chair from among the members of the fiscal commission. The Co-Chairs shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(ii) STAFF DIRECTOR.—The Co-Chairs, acting jointly, shall hire the staff director of the fiscal commission.

(D) DATE.—Members of the fiscal commission shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(E) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the fiscal commission. Any vacancy in the fiscal commission shall not affect its powers, but shall be filled not later than 14 calendar days after the date on which the vacancy occurs, in the same manner as the original designation was made. If a member of the fiscal commission ceases to be a Member of the House of Representatives or the Senate, as the case may be, the member is no longer a member of the fiscal commission and a vacancy shall exist.

(5) ADMINISTRATION.—

(A) IN GENERAL.—To enable the fiscal commission to exercise its powers, functions, and duties, there are authorized to be disbursed by the Senate the actual and necessary expenses of the fiscal commission approved by the co-chairs, subject to the rules and regulations of the Senate.

(B) EXPENSES.—In carrying out its functions, the fiscal commission is authorized to incur expenses in the same manner and under the same conditions as the Joint Economic Committee is authorized by section 11 of Public Law 79–304 (15 U.S.C. 1024 (d)).

(C) QUORUM.—Seven members of the fiscal commission shall constitute a quorum for purposes of voting, meeting, and holding hearings.

(D) VOTING.—

(i) PROXY VOTING.—No proxy voting shall be allowed on behalf of the members of the fiscal commission.

(ii) CONGRESSIONAL BUDGET OFFICE ESTIMATES.—The Congressional Budget Office shall provide estimates of the legislation (as described in paragraph (3)(B)) in accordance with sections 308(a) and 201(f) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a) and 601(f))(including estimates of the effect of interest payment on the debt). The fiscal commission may not vote on any version of the report, recommendations, or legislative language unless such estimates are available for consideration by all members of the fiscal commission at least 48 hours prior to the vote as certified by the Co-Chairs.

(E) MEETINGS.—

(i) INITIAL MEETING.—Not later than 45 calendar days after the date of enactment of this Act, the fiscal commission shall hold its first meeting.

(ii) AGENDA.—The Co-Chairs of the fiscal commission shall provide an agenda to the fiscal commission members not less than 48 hours in advance of any meeting.

(F) HEARINGS.—

(i) IN GENERAL.—The fiscal commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, require attendance of witnesses and production of books, papers, and documents, take such testimony, receive such evidence, and administer such oaths as the fiscal commission considers advisable.

(ii) HEARING PROCEDURES AND RESPONSIBILITIES OF CO-CHAIRS.—

(I) ANNOUNCEMENT.—The Co-Chairs of the fiscal commission shall make a public announcement of the date, place, time, and subject matter of any hearing to be conducted, not less than 7 days in advance of such hearing, unless the Co-Chairs determine that there is good cause to begin such hearing at an earlier date.

(II) WRITTEN STATEMENT.—A witness appearing before the fiscal commission shall file a written statement of proposed testimony at least 2 calendar days before the appearance of the witness, unless the requirement is waived by the Co-Chairs, following their determination that there is good cause for failure to comply with such requirement.

(G) TECHNICAL ASSISTANCE.—Upon written request of the Co-Chairs, a Federal agency shall provide technical assistance to the fiscal commission in order for the fiscal commission to carry out its duties.

(c) STAFF OF FISCAL COMMISSION.—

(1) IN GENERAL.—The Co-Chairs of the fiscal commission may jointly appoint and fix the compensation of staff as they deem necessary, within the guidelines for employees of the Senate and following all applicable rules and employment requirements of the Senate.

(2) ETHICAL STANDARDS.—Members on the fiscal commission who serve in the House of Representatives shall be governed by the ethics rules and requirements of the House. Members of the Senate who serve on the fiscal commission and staff of the fiscal commission shall comply with the ethics rules of the Senate.

(d) TERMINATION.—The fiscal commission shall terminate on January 1, 2019.

SEC. 12011. EXPEDITED CONSIDERATION OF FISCAL COMMISSION RECOMMENDATIONS.

(a) INTRODUCTION.—If approved by the majority required by section 12010(b)(3)(B)(ii), the proposed legislative language submitted pursuant to section 12010(b)(3)(B)(iii) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the majority leader of the Senate or by a Member of the Senate designated by the majority leader of the Senate and shall be introduced in the House of Representatives (by request) on the next legislative day by the majority leader of the House or by a Member of the House designated by the majority leader of the House.

(b) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) REPORTING AND DISCHARGE.—Any committee of the House of Representatives to which a fiscal commission bill is referred shall report it to the House without amendment not later than 5 calendar days after the date of introduction of a fiscal commission bill described in subsection (a). If a committee fails to report the fiscal commission bill within that period, the committee shall be discharged from further consideration of the fiscal commission bill and the fiscal commission bill shall be referred to the appropriate calendar.

(2) PROCEEDING TO CONSIDERATION.—After each committee authorized to consider a fiscal commission bill reports it to the House or has been discharged from its consideration, it shall be in order, not later than the sixth day after introduction of a fiscal commission bill under subsection (a), to move to proceed to consider the fiscal commission bill in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on a fiscal commission bill addressing a particular submission. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(3) CONSIDERATION.—The fiscal commission bill shall be considered as read. All points of order against the fiscal commission bill and against its consideration are waived. The previous question shall be considered as ordered on the fiscal commission bill to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent. A motion to reconsider the vote on passage of the fiscal commission bill shall not be in order.

(4) VOTE ON PASSAGE.—The vote on passage of the fiscal commission bill shall occur not later than November 30, 2018.

(c) EXPEDITED PROCEDURE IN THE SENATE.—

(1) COMMITTEE CONSIDERATION.—A fiscal commission bill introduced in the Senate under subsection (a) shall be jointly referred to the committee or committees of jurisdiction, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation, not later than 5 calendar days after the date of introduction described in subsection (a). If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

(2) MOTION TO PROCEED.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than 2 days of session after the date on which a fiscal commission bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the fiscal commission bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the fiscal commission bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the fiscal commission bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the fiscal commission bill is agreed to, the fiscal commission bill shall remain the unfinished business until disposed of.

(3) CONSIDERATION.—All points of order against the fiscal commission bill and against consideration of the fiscal commission bill are waived. Consideration of the fiscal commission bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 30 hours which shall be divided equally between the Majority and Minority Leaders or their designees. A motion further to limit debate on the fiscal commission bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the fiscal commission bill, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

(4) NO AMENDMENTS.—An amendment to the fiscal commission bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the fiscal commission bill, is not in order.

(5) VOTE ON PASSAGE.—If the Senate has voted to proceed to the fiscal commission bill, the vote on passage of the fiscal commission bill shall occur immediately following the conclusion of the debate on a fiscal commission bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the fiscal commission bill shall occur not later than December 15, 2018.

(6) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a fiscal commission bill shall be decided without debate.

(d) AMENDMENT.—The fiscal commission bill shall not be subject to amendment in either the House of Representatives or the Senate.

(e) CONSIDERATION BY THE OTHER HOUSE.—

(1) IN GENERAL.—If, before passing the fiscal commission bill, one House receives from the other a fiscal commission bill—

(A) the fiscal commission bill of the other House shall not be referred to a committee; and

(B) the procedure in the receiving House shall be the same as if no fiscal commission bill had been received from the other House until the vote on passage, when the fiscal commission bill received from the other

House shall supplant the fiscal commission bill of the receiving House.

(2) REVENUE MEASURE.—This subsection shall not apply to the House of Representatives if the fiscal commission bill received from the Senate is a revenue measure.

(f) RULES TO COORDINATE ACTION WITH OTHER HOUSE.—

(1) TREATMENT OF FISCAL COMMISSION BILL OF OTHER HOUSE.—If the Senate fails to introduce or consider a fiscal commission bill under this section, the fiscal commission bill of the House shall be entitled to expedited floor procedures under this section.

(2) TREATMENT OF COMPANION MEASURES IN THE SENATE.—If following passage of the fiscal commission bill in the Senate, the Senate then receives the fiscal commission bill from the House of Representatives, the House-passed fiscal commission bill shall not be debatable. The vote on passage of the fiscal commission bill in the Senate shall be considered to be the vote on passage of the fiscal commission bill received from the House of Representatives.

(3) VETOES.—If the President vetoes the fiscal commission bill, debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

(g) LOSS OF PRIVILEGE.—The provisions of this section shall cease to apply to the fiscal commission bill if—

(1) the fiscal commission fails to vote on the report or proposed legislative language required under section 12010(b)(3)(B)(i) not later than November 15, 2018;

(2) the fiscal commission bill does not meet the requirements of section 12010(b)(3)(B)(i)(II); or

(3) the fiscal commission bill does not pass both Houses not later than December 15, 2018.

SEC. 12012. FUNDING.

Funding for the fiscal commission shall be derived in equal portions from—

(1) the applicable accounts of the House of Representatives; and

(2) the contingent fund of the Senate from the appropriations account ''Miscellaneous Items'', subject to the rules and regulations of the Senate.

SEC. 12013. RULEMAKING.

The provisions of this part are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

SA 1684. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part IV of subtitle C of title I, add the following:

SEC. 13311. PROHIBITION ON CASH, GIFT CARDS, AND OTHER NON-TANGIBLE PERSONAL PROPERTY AS EMPLOYEE ACHIEVEMENT AWARDS.

(a) IN GENERAL.—Subparagraph (A) of section 274(j)(3) is amended—

(1) by striking ''The term'' and inserting the following:

''(i) IN GENERAL.—The term''.

(2) by redesignating clauses (i), (ii), and (iii) as subclauses (I), (II), and (III), respectively, and conforming the margins accordingly, and

(3) by adding at the end the following new clause:

''(ii) TANGIBLE PERSONAL PROPERTY.—For purposes of clause (i), the term 'tangible personal property' shall not include—

''(I) cash, cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements conferring only the right to select and receive tangible personal property from a limited array of such items pre-selected or pre-approved by the employer), or

''(II) vacations, meals, lodging, tickets to theater or sporting events, stocks, bonds, other securities, and other similar items.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to prizes and awards granted in taxable years beginning after December 31, 2017.

SA 1685. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. DEDUCTION FOR TUITION PAYMENTS FOR QUALIFIED RELIGIOUS INSTRUCTION.

(a) IN GENERAL.—Section 170 is amended by redesignating subsection (p) as subsection (q), and by inserting after subsection (o) the following new subsection:

''(p) TREATMENT OF CERTAIN TUITION PAYMENTS PAID FOR QUALIFIED RELIGIOUS INSTRUCTION.—

''(1) IN GENERAL.—For purposes of this section, 25 percent of any amount described in paragraph (2) shall be treated as a charitable contribution.

''(2) AMOUNT DESCRIBED.—For purposes of paragraph (1), an amount is described in this paragraph if—

''(A) such amount would be treated as payment of qualified tuition and related expenses for purposes of section 25A(f)(1) but for the fact that such payment is made to a primary or secondary educational organization described in subparagraph (b)(1)(A)(ii) rather than an eligible educational institution (as defined in section 25A(f)(2)),

''(B) such payment is made after December 31, 2018, and before January 1, 2021,

''(C) such organization certifies that 30 percent of the instruction it provides each academic year consists of qualified religious instruction, and

''(D) such organization has provided the taxpayer a statement which contains the information required by section 6050T.

''(3) QUALIFIED RELIGIOUS INSTRUCTION.—For purposes of this subsection, the term 'qualified religious instruction' means academic instruction or training regarding a particular religion (including tenets, doctrines, beliefs, rituals, customs, and rites) of a type not generally offered in public school curricula, which is provided by a teacher or other instructor who is certified as having had significant post-secondary religious studies.

''(4) NO DOUBLE BENEFIT.—No deduction shall be allowed under this subsection for the amount of any expense for which a deduction, credit, or exclusion is allowed to the taxpayer under any other provision of this chapter.''.

(b) INFORMATION RETURNS.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

''SEC. 6050X. RETURNS RELATING TO TUITION FOR QUALIFIED RELIGIOUS EDUCATION.

''(a) IN GENERAL.—Any educational institution described in section 170(p)(2)(A) which meets the requirements of section 170(p)(2)(B) shall make a return with respect to any individual from whom it receives tuition payments and related expenses, in such manner and at such time as the Secretary may by regulations prescribe, which contains:

''(1) the name, address, and TIN of the individual with respect to whom tuition payments and related expenses are received,

''(2) the net amount of payments for tuition and related expenses described in section 170(p)(2)(A) received with respect to the individual during the calendar year,

''(3) a certification that the institution meets the requirements of section 170(p)(2)(B), and

''(4) such other information as the Secretary may prescribe.

''(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return under subparagraph (a)(1) a written statement showing—

''(1) the name, address, and phone number of the information contact of the person required to make such return, and

''(2) the information described in subsection (a).

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.''.

(c) EXEMPTION FROM SUBSTANTIATION REQUIREMENT.—Section 170(f)(8)(A) is amended by adding at the end the following: ''The preceding sentence shall not apply to any amount treated as a charitable contribution by reason of subsection (p).''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

(2) NO INFERENCE.—Nothing in the amendments made by this section shall create any inference regarding the tax treatment of any other payment for religious education or training made before, on, or after such date.

SA 1686. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 485, between lines 4 and 5, insert the following:

''(5) EXCEPTION FOR AMOUNTS INCLUDED IN SUBPART F INCOME.—Paragraph (1) shall not apply to any amount paid or accrued by the taxpayer to the extent such payment is included in the gross income of a United States shareholder under section 951(a).''

SA 1687. Mr. BARRASSO submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. REPEAL OF HEALTH INSURANCE TAX.

Subsection (j) of section 9010 of the Patient Protection and Affordable Care Act is amended by striking '', and'' at the end of paragraph (1) and all that follows through ''2017''.

SA 1688. Mrs. SHAHEEN submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. RIGHT START CHILD CARE AND EDUCATION ACT.

(a) INCREASE IN EMPLOYER-PROVIDED CHILD CARE CREDIT.—

(1) INCREASE IN CREDITABLE PERCENTAGE OF CHILD CARE EXPENDITURES.—Paragraph (1) of section 45F(a) is amended by striking ''25 percent'' and inserting ''35 percent''.

(2) INCREASE IN CREDITABLE PERCENTAGE OF RESOURCE AND REFERRAL EXPENDITURES.—Paragraph (2) of section 45F(a) is amended by striking ''10 percent'' and inserting ''20 percent''.

(3) INCREASE IN MAXIMUM CREDIT.—Subsection (b) of section 45F is amended by striking ''$150,000'' and inserting ''$225,000''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(b) INCREASE IN DEPENDENT CARE CREDIT.—

(1) INCREASE IN INCOMES ELIGIBLE FOR FULL CREDIT.—Paragraph (2) of section 21(a) is amended by striking ''$15,000'' and inserting ''$30,000''.

(2) INCREASE IN PERCENTAGE OF EXPENSES ALLOWABLE.—Paragraph (2) of section 21(a) is amended—

(A) by striking ''35 percent'' and inserting ''50 percent'', and

(B) by striking ''20 percent'' and inserting ''35 percent''.

(3) INCREASE IN DOLLAR LIMIT ON AMOUNT CREDITABLE.—Subsection (c) of section 21 is amended—

(A) by striking ''$3,000'' in paragraph (1) and inserting ''$6,000'', and

(B) by striking ''$6,000'' in paragraph (2) and inserting ''$12,000''.

(4) CREDIT TO BE REFUNDABLE.—

(A) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(i) by redesignating section 21 as section 36C, and

(ii) by moving section 36C, as so redesignated, from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(B) TECHNICAL AMENDMENTS.—

(i) Paragraph (1) of section 23(f) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(ii) Paragraph (6) of section 35(g) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(iii) Paragraph (1) of section 36C(a) (as redesignated by subparagraph (A)) is amended by striking ''this chapter'' and inserting ''this subtitle''.

(iv) Subparagraph (C) of section 129(a)(2) is amended by striking ''section 21(e)'' and inserting ''section 36C(e)''.

(v) Paragraph (2) of section 129(b) is amended by striking ''section 21(d)(2)'' and inserting ''section 36C(d)(2)''.

(vi) Paragraph (1) of section 129(e) is amended by striking ''section 21(b)(2)'' and inserting ''section 36C(b)(2)''.

(vii) Subsection (e) of section 213 is amended by striking ''section 21'' and inserting ''section 36C''.

(viii) Subparagraph (H) of section 6213(g)(2) is amended by striking ''section 21'' and inserting ''section 36C''.

(ix) Subparagraph (L) of section 6213(g)(2) is amended by striking ''section 21, 24, or 32'' and inserting ''section 24, 32, or 36C''.

(x) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''36C,'' after ''36B,''.

(xi) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following:

''Sec. 36C. Expenses for household and dependent care services necessary for gainful employment.''.

(xii) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(c) 3-YEAR CREDIT FOR INDIVIDUALS HOLDING CHILD CARE-RELATED DEGREES WHO WORK IN LICENSED CHILD CARE FACILITIES.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25D the following new section:

''SEC. 25E. RIGHT START CHILD CARE AND EDUCATION CREDIT.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who is an eligible child care provider for the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of $2,000.

''(b) 3-YEAR CREDIT.—

''(1) IN GENERAL.—The credit allowable by subsection (a) for any taxable year to an individual shall be allowed for such year only if the individual elects the application of this section for such year.

''(2) ELECTION.—An election to have this section apply may not be made by an individual for any taxable year if such an election by such individual is in effect for any 3 prior taxable years.

''(c) ELIGIBLE CHILD CARE PROVIDER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible child care provider' means, for any taxable year, any individual if—

''(A) as of the close of such taxable year, such individual holds a bachelor's degree in early childhood education, child care, or a related degree and such degree was awarded by an eligible educational institution (as defined in section 25A(f)(2)), and

''(B) during such taxable year, such individual performs at least 1,200 hours of child care services at a facility if—

''(i) the principal use of the facility is to provide child care services,

''(ii) no more than 25 percent of the children receiving child care services at the facility are children (as defined in section 152(f)) of the individual or such individual's spouse, and

''(iii) the facility meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including the licensing of the facility as a child care facility.

Subparagraph (B)(i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(2) CHILD CARE SERVICES.—The term 'child care services' means child care and early childhood education.''.

(2) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Right Start Child Care and Education Credit.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(d) INCREASE IN EXCLUSION FOR EMPLOYER-PROVIDED DEPENDENT CARE ASSISTANCE.—

(1) IN GENERAL.—Subparagraph (A) of section 129(a)(2) is amended by striking ''$5,000 ($2,500'' and inserting ''$7,500 ($3,750''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2017.

SA 1689. Mrs. SHAHEEN submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1_____. REPEAL OF PERCENTAGE DEPLETION ALLOWANCE FOR CERTAIN HARDROCK MINES.

(a) IN GENERAL.—Section 613(a) is amended by inserting ''(other than hardrock mines located on lands subject to the general mining laws or on land patented under the general mining laws)'' after ''In the case of the mines''.

(b) GENERAL MINING LAWS DEFINED.—Section 613 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(f) GENERAL MINING LAWS.—For purposes of subsection (a), the term 'general mining laws' means those Acts which generally comprise chapters 2, 12A, and 16, and sections 161 and 162 of title 30 of the United States Code.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1690. Mr. TOOMEY (for himself and Mr. CRUZ) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 304, strike lines 17 through 20 and insert the following:

''(B) which participated in and received funds through a program described in section 25A(f)(2)(B) during the preceding taxable year,

''(C) which is not described in the first sentence of section 511(a)(2)(B) (relating to State colleges and universities), and

''(D) the aggregate fair market value of

SA 1691. Mr. JOHNSON (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part V of subtitle A of title I, insert the following:

SEC. 11052. SUSPENSION OF CORPORATE DEDUCTION FOR STATE AND LOCAL INCOME TAXES.

(a) CORPORATE STATE AND LOCAL INCOME TAXES.—

(1) In general. Paragraph (6) of section 164(b), as added by section 11042(a) of this Act, is amended—

(A) in the heading, by striking ''INDIVIDUAL'',

(B) in the matter preceding subparagraph (A), by striking ''an individual and'', and

(C) in subparagraph (A)—

(1) by inserting ''in the ease of all individual,'' before ''paragraphs (1) and (2)'', and

(ii) by striking ''and'' at the end,

(D) in subparagraph (B), by striking the period and inserting '', and'', and

(E) by adding at the end the following new subparagraph:

''(C) in the case of a corporation, the second sentence of subsection (a) shall not apply.''.

(2) TRADE OR BUSINESS EXPENSE.—Section 162, as amended by sections 13307, 13308, and 13531 of this Act, is amended by redesignating subsection (t) as subsection (u) and by inserting after subsection (s) the following new subsection:

''(t) SUSPENSION OF DEDUCTION FOR STATE AND LOCAL TAXES.——In the case of a corporation and a taxable year beginning after December 31, 2017, and before January 1, 2026, no deduction otherwise allowable under this section shall be allowed for any State or local income, war profits, and excess profits taxes (as described in section 164(a)(3)).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the amendment made by section 11042(a) of this Act.

(b) INCREASE IN RATE FOR DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES.—

(1) IN GENERAL.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) in paragraph (2) of subsection (a), by striking ''17.4 percent'' and inserting ''the applicable percentage (as determined under subsection (g))'', and

(B) in paragraphs (1)(B) and (2)(A) of subsection (b), by striking ''17.4 percent'' each place it appears and inserting ''the applicable percentage (as determined under subsection (g))''.

(2) APPLICABLE PERCENTAGE.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) by redesignating subsection (g) as subsection (h), and

(B) by inserting after subsection (f) the following new subsection:

''(g) APPLICABLE PERCENTAGE.—

''(1) IN GENERAL.—For purposes of this section, the applicable percentage shall be equal to the sum of 17.4 percent plus the additional percentage (as determined under paragraph (2)).

''(2) ADDITIONAL PERCENTAGE.—The additional percentage shall be the amount (expressed as a percentage) which is determined by the Secretary to permit an increase in the deduction allowed under this section in an amount equal to the increase in revenue resulting from the amendments made by subsection (a) of section 11052 of the Tax Cuts and Jobs Act.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1692. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. EXTENDING INVESTMENT TAX CREDITS FOR NEW QUALIFIED FUEL CELL MOTOR VEHICLES AND ALTERNATIVE FUEL INFRASTRUCTURE.

(a) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—

(1) IN GENERAL.—Section 30B(k)(1) is amended by striking ''December 31, 2016'' and inserting ''December 31, 2021''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property purchased after December 31, 2016.

(b) QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—

(1) IN GENERAL.—Section 30C(g) is amended by striking ''December 31, 2016'' and inserting ''December 31, 2021''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2016.

SA 1693. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart B of part IX of subtitle C of title I, insert the following:

SEC. 13824. SPLIT 100 PERCENT RESEARCH CREDIT FOR CONTRACT RESEARCH EXPENSES.

(a) IN GENERAL.—Subparagraph (A) of section 41(b)(3) is amended to read as follows:

''(A) IN GENERAL.—

''(i) TAXPAYERS PAYING FOR CONTRACTED RESEARCH.—The term 'contract research expenses' means 65 percent of any amount paid or incurred by the taxpayer to any person (other than an employee of the taxpayer) for qualified research.

''(ii) TAXPAYERS PERFORMING CONTRACTED RESEARCH.—In the case of a taxpayer (other than an entity described in subparagraph (C) or (D) or subsection (e)(6)) who receives amounts from any person (other than an employer of the taxpayer) for qualified research on behalf of such person, the term 'contract research expenses' means so much of the qualified research expenses paid or incurred by the taxpayer as does not exceed 35 percent of the amounts so received from such person.

''(iii) SPECIAL RULES.—For purposes of clause (ii)—

''(I) TRADE OR BUSINESS.—The qualified research expenses of the taxpayer shall be determined as if the trade or business of the taxpayer were the conduct of qualified research on behalf of other persons.

''(II) RESEARCH NOT TREATED AS FUNDED RESEARCH.—Subparagraph (H) of subsection (d)(4) shall not apply.

''(III) QUALIFIED RESEARCH.—The qualified research expenses of a taxpayer shall be determined as if the conditions of subparagraph (B) of subsection (d)(1) are satisfied if the business component described in subparagraph (B)(ii) thereof is a business component of either of the taxpayers described in clauses (i) and (ii).

''(IV) LIMITATION.—The qualified research expenses of a taxpayer shall not include any expenses that would not be eligible as in-house research expenses for purposes of paragraph (2).

''(iv) DENIAL OF DOUBLE BENEFIT.—The amount of any in-house research expenses taken into account under this section with respect to a taxpayer described in clause (ii) shall be reduced by the amount of the contract research expenses taken into account under such clause with respect to such taxpayer for the taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1694. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike part VI of subtitle A of title I.

SA 1695. Mr. CARPER submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part I of subtitle A of title I, insert the following:

SEC. 11003. ADJUSTMENT OF HIGHEST RATE BRACKETS.

(a) JOINT RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(A), as added by section 11001(a), are amended to read as follows:

''Over $400,000 but not over $480,050	$91,479, plus 35% of the excess over $400,000.
Over $480,050	$119,496.50, plus 39.6% of the excess over $480,050.''.

(b) HEADS OF HOUSEHOLDS.—The last 2 rows of the table contained in section 1(j)(2)(B), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $453,350	$44,348, plus 35% of the excess over $200,000.
Over $453,350	$133,020.50, plus 39.6% of the excess over $453,350.''.

(c) UNMARRIED INDIVIDUALS.—The last 2 rows of the table contained in section 1(j)(2)(C), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $426,700	$45,739.50, plus 35% of the excess over $200,000.
Over $426,700	$125,084.50, plus 39.6% of the excess over $426,700.''.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last 2 rows of the table contained in section 1(j)(2)(D), as added by section 11001(a), are amended to read as follows:

''Over $200,000 but not over $240,026	$45,739.50, plus 35% of the excess over $200,000.
Over $240,026	$59,748.60, plus 39.6% of the excess over $240,026.''.

(e) ESTATES AND TRUSTS.—The last 2 rows of the table contained in section 1(j)(2)(E), as added by section 11001(a), are amended to read as follows:

''Over $9,150 but not over $12,700	$1,839, plus 35% of the excess over $9,150.
Over $12,700	$3,081.50, plus 39.6% of the excess over $12,700.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1696. Mr. CARPER (for himself, Mr. CASEY, Mr. COONS, Mr. BENNET, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart B of part IX of subtitle C of title I, insert the following:

SEC. 13824. EXTENSION AND PHASEOUT OF RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) EXTENSION.—Section 25D(h) is amended by striking ''December 31, 2016 (December 31, 2021, in the case of any qualified solar electric property expenditures and qualified solar water heating property expenditures)'', and inserting ''December 31, 2021''.

(b) PHASEOUT.—

(1) IN GENERAL.—Paragraphs (3), (4), and (5) of section 25D(a) are amended by striking ''30 percent'' each place it appears and inserting ''the applicable percentage''.

(2) CONFORMING AMENDMENT.—Section 25D(g) is amended by striking ''paragraphs (1) and (2) of''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2017.

SEC. 13825. EXTENSION AND PHASEOUT OF ENERGY CREDIT.

(a) CREDIT PERCENTAGE FOR GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(2)(A)(i)(II) is amended by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i) or (iii) of paragraph (3)(A)''.

(b) EXTENSION OF SOLAR AND THERMAL ENERGY PROPERTY.—Section 48(a)(3)(A) is amended—

(1) in clause (ii) by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''; and

(2) in clause (vii) by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''.

(c) PHASEOUT OF 30-PERCENT CREDIT RATE FOR GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(6) is amended—

(1) in the heading, by inserting ''AND GEOTHERMAL'' after ''SOLAR'';

(2) in subparagraph (A), by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i) or (iii) of paragraph (3)(A)''; and

(3) in subparagraph (B), by striking ''property energy property described in paragraph (3)(A)(i)'' and inserting ''energy property described in clause (i) or (iii) of paragraph (3)(A)''.

(d) PHASEOUT OF 30-PERCENT CREDIT RATE FOR FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND ENERGY PROPERTY.—

(1) IN GENERAL.—Section 48(a) is amended by adding the following:

''(7) PHASEOUT FOR FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND ENERGY PROPERTY.—In the case of any energy property described in paragraph (3)(A)(ii), qualified fuel cell property, or qualified small wind property, the energy percentage determined under paragraph (2) shall be equal to—

''(A) in the case of any property the construction of which begins after December 31, 2019, and before January 1, 2021, 26 percent, and

''(B) in the case of any property the construction of which begins after December 31, 2020, and before January 1, 2022, 22 percent.''.

(2) CONFORMING AMENDMENT.—Section 48(a)(2)(A) is amended by striking ''paragraph (6)'' and inserting ''paragraphs (6) and (7)''.

(e) EXTENSION OF QUALIFIED FUEL CELL PROPERTY.—Section 48(c)(1)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(f) EXTENSION OF QUALIFIED MICROTURBINE PROPERTY.—Section 48(c)(2)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(g) EXTENSION OF COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48(c)(3)(A)(iv) is amended by striking ''which is placed in service before January 1, 2017'' and inserting ''the construction of which begins before January 1, 2022''.

(h) EXTENSION OF QUALIFIED SMALL WIND ENERGY PROPERTY.—Section 48(c)(4)(C) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2017.

SEC. 13826. WASTE HEAT TO POWER PROPERTY.

(a) IN GENERAL.—

(1) INTRODUCTION OF WASTE TO HEAT POWER ENERGY PROPERTY.—Section 48(a)(3)(A) is amended—

(A) at the end of clause (vi) by striking ''or''; and

(B) at the end of clause (vii) by inserting ''or'' after the comma; and

(C) by adding the following:

''(viii) waste heat to power property,''.

(2) DEFINITIONS AND LIMITATIONS.—Section 48(c) is amended by adding at the end the following:

''(5) WASTE HEAT TO POWER PROPERTY.—

''(A) IN GENERAL.—The term 'waste heat to power property' means property—

''(i) comprising a system which generates electricity through the recovery of a qualified waste heat resource, and

''(ii) the construction of which begins before January 1, 2022.

''(B) QUALIFIED WASTE HEAT RESOURCE.—The term 'qualified waste heat resource' means—

''(i) exhaust heat or flared gas from an industrial process that does not have, as its primary purpose, the production of electricity, and

''(ii) a pressure drop in any gas for an industrial or commercial process.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—For purposes of subsection (a)(1), the basis of any waste heat to power property taken into account under this section shall not exceed the excess of—

''(I) the basis of such property, over

''(II) the fair market value of comparable property which does not have the capacity to capture and convert a qualified waste heat resource to electricity.

''(ii) CAPACITY LIMITATION.—The term 'waste heat to power property' shall not include any property comprising a system if such system has a capacity in excess of 50 megawatts.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2016, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SA 1697. Mr. BLUMENTHAL (for himself and Mr. MURPHY) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11044.

SA 1698. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CERTIFICATION OF NO PRESIDENTIAL BENEFIT.

(a) IN GENERAL.—The provisions of this Act shall be null and void and of no effect until—

(1) the Commissioner of the Internal Revenue Service certifies that, based on a review of the tax returns of the President of the United States for the 3 most recent taxable years, the President would not have benefited in any of such taxable years if the provisions of this Act had been in effect in such year; and

(2) the Commissioner makes publicly available the tax returns on which such certification is based.

(b) REDACTION OF CERTAIN INFORMATION.—The tax returns which must be made publicly available by the Commissioner of the Internal Revenue Service under subsection (a) may be redacted to remove such information as the Director of the Office of Government Ethics, in consultation with the Secretary of the Treasury, determines appropriate.

SA 1699. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PRESIDENTIAL TAX RETURN DISCLOSURE REQUIREMENT.

(a) IN GENERAL.—The provisions of this Act shall be null and void and of no effect until the President of the United States makes available to the public the President's tax returns for not less than the 3 most recent taxable years.

(b) REDACTION OF CERTAIN INFORMATION.—The tax returns which must be made public under subsection (a) may be redacted to remove such information as the Director of the Office of Government Ethics, in consultation with the Secretary of the Treasury, determines appropriate.

SA 1700. Ms. STABENOW (for herself, Ms. BALDWIN, Ms. HEITKAMP, and Ms. KLOBUCHAR) submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13305 and insert the following:

SEC. 13305. REPEAL OF DEDUCTION FOR DOMESTIC PRODUCTION ACTIVITIES FOR FOSSIL FUELS; DELAY IN CORPORATE RATE REDUCTION.

(a) REPEAL OF DEDUCTION FOR DOMESTIC PRODUCTION ACTIVITIES FOR FOSSIL FUELS.—

(1) IN GENERAL.—Subparagraph (B) of section 199(c)(4) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following new clauses:

''(iv) the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 199(c)(3) is amended by striking subparagraph (C).

(B) Section 199(c)(4)(A)(i)(III) is amended by striking '', natural gas,''.

(C) Section 199(d)(9) is amended by striking all through ''the term 'primary product' '' in subparagraph (C) and inserting the following:

''(9) PRIMARY PRODUCT.—For purposes of subsection (c)(4)(B), the term 'primary product'.' ''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to gross receipts received after December 31, 2017.

(b) DELAY OF CORPORATE RATE REDUCTION.—Section 13001(c) and 13002(f) of this Act are each amended by striking ''2018'' each place it appears and inserting ''2019''.

SA 1701. Ms. STABENOW (for herself, Mr. CASEY, Mr. VAN HOLLEN, Mr. CARDIN, Mr. WYDEN, Mr. MENENDEZ, Mr. UDALL, Mr. BOOKER, and Mr. REED) submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part I of subtitle C, add the following:

SEC. 13303. EXCEPTION TO REDUCED RATES BASED ON REAL HOUSEHOLD WAGES.

(a) PUBLICATION OF AVERAGE REAL HOUSEHOLD WAGES.—Not later than December 31, 2017, the Congressional Budget Office shall publish a report indicating average household wage income in the United States for 2017. For each subsequent calendar year, not later than December 31 of that year, the Congressional Budget Office shall publish a report indicating average household wage income in the United States for the year, adjusted for inflation.

(b) EXCEPTION.—If for any calendar year after 2019, average real household wage income has not increased by at least $4,000 as compared to 2017 (as determined in the reports published under subsection (a)), then the provisions of the Internal Revenue Code of 1986 which are amended by section 13001 and 13002 shall each be amended to read as if the amendments made by such section had not been enacted.

SA 1702. Ms. STABENOW (for herself, Mr. CASEY, and Mr. VAN HOLLEN) submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part I of subtitle C, add the following:

SEC. 13303. EXCEPTION TO REDUCED RATES BASED ON REAL HOUSEHOLD WAGES.

If changes in the Employment Cost Index between December 31, 2017 and any calendar year after 2019 do not equate to at least a $4,000 increase per household, then the provisions of the Internal Revenue Code of 1986 which are amended by section 13001 and 13002 shall each be amended to read as if the amendments made by such section had not been enacted.

SA 1703. Ms. STABENOW (for herself, Mr. CASEY, Mr. VAN HOLLEN, Mr. CARDIN, Mr. BROWN, Mr. WYDEN, Mr. UDALL, Mr. BOOKER, and Mr. REED) submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part I of subtitle C, add the following:

SEC. 13303. EXCEPTION TO REDUCED RATES BASED ON REAL HOUSEHOLD WAGES.

(a) DETERMINATION OF AVERAGE REAL HOUSEHOLD WAGES.—Not later than December 31 of each calendar year, the Secretary of the Treasury (in consultation with the Secretary of Labor) shall determine the average real household wages for the calendar year.

(b) CERTIFICATION.—If the Secretary of the Treasury does not certify that the average real household wages for any calendar year after December 31, 2019, (as determined under subsection (a)) exceeds the average real household wages for calendar year 2017 (as so determined) by $4,000 or more, the provisions of the Internal Revenue Code of 1986 which are amended by section 13001 and 13002 shall each be amended to read as if the amendments made by such section had not been enacted.

(c) EFFECTIVE DATE.—The amendments made by this subsection (b) shall apply to taxable years beginning after December 31 of the first calendar year for which no certification is made under subsection (b).

SA 1704. Mr. KAINE (for himself and Mr. MANCHIN) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 104, strike line 15 and all that follows through page 112, line 12 and insert the following:

Subtitle B—Permanent Individual Income Tax Relief for Middle Class

SEC. 12001. AMENDMENT OF INCOME TAX BRACKETS.

(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The table contained in subsection (a) of section 1 is amended to read as follows:

If taxable income is:	The tax is:
Not over $19,050	10% of taxable income.
Over $19,050 but not over $77,400	$1,905, plus 12% of the excess over $19,050.
Over $77,400 but not over $140,000	$8,907, plus 22% of the excess over $77,400.
Over $140,000 but not over $320,000	$22,679, plus 24% of the excess over $140,000.
Over $320,000 but not over $400,000	$65,879, plus 32% of the excess over $320,000.
Over $400,000 but not over $480,050	$91,479, plus 35% of the excess over $400,000.
Over $480,050	$119,496.50, plus 39.6% of the excess over $480,050.

(b) HEADS OF HOUSEHOLDS.—The table contained in subsection (b) of section 1 is amended to read as follows:

If taxable income is:	The tax is:
Not over $13,600	10% of taxable income.
Over $13,600 but not over $51,800	$1,360, plus 12% of the excess over $13,600.
Over $51,800 but not over $70,000	$5,944, plus 22% of the excess over $51,800.
Over $70,000 but not over $160,000	$9,948, plus 24% of the excess over $70,000.
Over $160,000 but not over $200,000	$31,548, plus 32% of the excess over $160,000.
Over $200,000 but not over $453,350	$44,348, plus 35% of the excess over $200,000.
Over $453,350	$133,020.50, plus 39.6% of the excess over $453,350.

(c) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The table contained in subsection (c) of section 1 is amended to read as follows:

If taxable income is:	The tax is:
Not over $9,525	10% of taxable income.
Over $9,525 but not over $38,700	$952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $70,000	$4,453.50, plus 22% of the excess over $38,700.
Over $70,000 but not over $160,000	$11,339.50, plus 24% of the excess over $70,000.
Over $160,000 but not over $200,000	$32,939.50, plus 32% of the excess over $160,000.
Over $200,000 but not over $426,700	$45,739.50, plus 35% of the excess over $200,000.
Over $426,700	$125,084.50, plus 39.6% of the excess over $426,700.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The table contained in subsection (d) of section 1 is amended to read as follows:

If taxable income is:	The tax is:
Not over $9,525	10% of taxable income.
Over $9,525 but not over $38,700	$952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $70,000	$4,453.50, plus 22% of the excess over $38,700.
Over $70,000 but not over $160,000	$11,339.50, plus 24% of the excess over $70,000.
Over $160,000 but not over $200,000	$32,939.50, plus 32% of the excess over $160,000.
Over $200,000 but not over $240,026	$45,739.50, plus 35% of the excess over $200,000.
Over $240,026	$59,748.60, plus 39.6% of the excess over $240,026.

(e) ESTATES AND TRUSTS.—The table contained in subsection (e) of section 1 is amended to read as follows:

If taxable income is:	The tax is:
Not over $2,550	10% of taxable income.
Over $2,550 but not over $9,150	$255, plus 24% of the excess over $2,550.
Over $9,150 but not over $12,700	$1,839, plus 35% of the excess over $9,150.
Over $12,700	$3,081.50, plus 39.6% of the excess over $12,700.

(f) INFLATION ADJUSTMENT.—Section 1(f)(2)(A), as amended by this Act, is amended by striking ''1992'' and inserting ''2017''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 12002. DECREASE IN ESTATE AND GIFT TAX EXEMPTION.

(a) IN GENERAL.—Section 2010(c)(3) is amended by striking subparagraph (C), as added by this Act.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 2001 is amended to read as follows:

''(g) MODIFICATIONS TO GIFT TAX PAYABLE TO REFLECT DIFFERENT TAX RATES.—For purposes of applying subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

''(1) the tax imposed by chapter 12 with respect to such gifts, and

''(2) the credit allowed against such tax under section 2505, including in computing—

''(A) the applicable credit amount under section 2505(a)(1), and

''(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2017.

SEC. 12003. CORPORATE TAX RATE.

(a) IN GENERAL.—Section 11(b), as amended by this Act, is amended by striking ''20 percent'' and inserting ''25 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

SA 1705. Mr. KAINE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. WORK OPPORTUNITY TAX CREDIT FOR MILITARY SPOUSES.

(a) IN GENERAL.—Section 51(d)(1) is amended—

(1) by striking ''or'' at the end of subparagraph (I),

(2) by striking the period at the end of subparagraph (J) and inserting '', or'', and

(3) by adding at the end the following new subparagraph:

''(K) a qualified military spouse.''.

(b) QUALIFIED MILITARY SPOUSE.—Section 51(d) is amended by adding at the end the following new paragraph:

''(16) QUALIFIED MILITARY SPOUSE.—The term 'qualified military spouse' means the spouse or domestic partner (as recognized under State law or by the Armed Forces) of a member of the Armed Forces.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2017.

SA 1706. Mr. KAINE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 75, strike line 7 and all that follows through page 76, line 3.

SA 1707. Mr. KAINE (for himself and Mr. CARDIN) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13402.

SA 1708. Mr. REED submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 269, strike line 21 and all that follows through page 273, line 4 and insert the following:

SEC. 13601. EXPANSION OF DENIAL OF DEDUCTION FOR CERTAIN EXCESSIVE EMPLOYEE REMUNERATION.

(a) APPLICATION TO ALL CURRENT AND FORMER EMPLOYEES.—

(1) IN GENERAL.—Section 162(m) is amended—

(A) by striking ''covered employee'' each place it appears in paragraphs (1) and (4) and inserting ''covered individual'', and

(B) by striking ''such employee'' each place it appears in subparagraphs (A) and (G) of paragraph (4) and inserting ''such individual''.

(2) COVERED INDIVIDUAL.—Paragraph (3) of section 162(m) is amended to read as follows:

''(3) COVERED INDIVIDUAL.—For purposes of this subsection, the term 'covered individual' means any individual who is an officer, director, or employee of the taxpayer or a former officer, director, or employee of the taxpayer.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 48D(b)(3)(A) is amended by inserting ''(as in effect for taxable years beginning before January 1, 2018)'' after ''section 162(m)(3)''.

(B) Section 409A(b)(3)(D)(ii) is amended by inserting ''(as in effect for taxable years beginning before January 1, 2018)'' after ''section 162(m)(3)''.

(b) EXPANSION OF APPLICABLE EMPLOYEE REMUNERATION.—

(1) ELIMINATION OF EXCEPTION FOR COMMISSION-BASED PAY.—

(A) IN GENERAL.—Paragraph (4) of section 162(m), as amended by subsection (a), is amended by striking subparagraph (B) and by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively.

(B) CONFORMING AMENDMENTS.—

(i) Section 162(m)(5) is amended—

(I) by striking ''subparagraphs (B), (C), and (D) thereof'' in subparagraph (E) and inserting ''subparagraphs (B) and (C) thereof'', and

(II) by striking ''subparagraphs (F) and (G)'' in subparagraph (G) and inserting ''subparagraphs (E) and (F)''.

(ii) Section 162(m)(6) is amended—

(I) by striking ''subparagraphs (B), (C), and (D) thereof'' in subparagraph (D) and inserting ''subparagraphs (B) and (C) thereof'', and

(II) by striking ''subparagraphs (F) and (G)'' in subparagraph (G) and inserting ''subparagraphs (E) and (F)''.

(2) INCLUSION OF PERFORMANCE-BASED COMPENSATION.—

(A) IN GENERAL.—Paragraph (4) of section 162(m), as amended by subsection (a) and paragraph (1) of this subsection, is amended

by striking subparagraph (B) and redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively.

(B) CONFORMING AMENDMENTS.—

(i) Section 162(m)(5), as amended by paragraph (1), is amended—

(I) by striking ''subparagraphs (B) and (C) thereof'' in subparagraph (E) and inserting ''subparagraph (B) thereof'', and

(II) by striking ''subparagraphs (E) and (F)'' in subparagraph (G) and inserting ''subparagraphs (D) and (E)''.

(ii) Section 162(m)(6), as amended by paragraph (1), is amended—

(I) by striking ''subparagraphs (B) and (C) thereof'' in subparagraph (D) and inserting ''subparagraph (B) thereof'', and

(II) by striking ''subparagraphs (E) and (F)'' in subparagraph (G) and inserting ''subparagraphs (D) and (E)''.

(c) EXPANSION OF APPLICABLE EMPLOYER.—Paragraph (2) of section 162(m) is amended to read as follows:

''(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term 'publicly held corporation' means any corporation which is an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c))—

''(A) the securities of which are registered under section 12 of such Act (15 U.S.C. 781), or

''(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 780(d)).''.

(d) REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 162(m) is amended by adding at the end the following new paragraph:

''(7) REGULATIONS.—The Secretary may prescribe such guidance, rules, or regulations, including with respect to reporting, as are necessary to carry out the purposes of this subsection.''.

(2) CONFORMING AMENDMENT.—Paragraph (6) of section 162(m) is amended by striking subparagraph (H).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1709. Mr. REED submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CORPORATE EXCISE TAX FOR EXCESSIVE SHARE REPURCHASES.

(a) IN GENERAL.—Chapter 36 of subtitle D is amended by adding after subchapter D the following new subchapter:

''Subchapter E—Corporate Excise Tax for Excessive Share Repurchases

''Sec. 4491. Corporate excise tax for excessive share repurchases.

''SEC. 4491. CORPORATE EXCISE TAX FOR EXCESSIVE SHARE REPURCHASES.

''(a) TAX IMPOSED.—In the case of a corporation which purchases not less than $10,000,000 of outstanding shares of stock in itself during the taxable year, there is hereby imposed on such corporation for the taxable year a tax equal to 15 percent of the taxable income of such corporation.''.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 36 is amended by adding at the end the following new item:

''SUBCHAPTER E-CORPORATE EXCISE TAX FOR EXCESSIVE SHARE REPURCHASES''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1710. Mr. BOOKER (for himself, Ms. HIRONO, Mr. MARKEY, Mr. MENENDEZ, Mr. HEINRICH, Mrs. FEINSTEIN, and Mr. BLUMENTHAL) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part I of subtitle C, add the following:

SEC. 13303. EXCEPTION TO REDUCED RATES BASED ON MEDICARE PROGRAM SEQUESTRATION.

(a) IN GENERAL.—In any case in which there is a sequestration under the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 931 et seq.) that reduces budgetary resources for the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) because of a debit that is attributable to the enactment of this title or the amendments made by this title, the provisions of the Internal Revenue Code of 1986 which are amended by section 13001 and 13002 shall each be amended to read as if the amendments made by such section had not been enacted.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the first fiscal year to which a sequestration under subsection (a) applies.

SA 1711. Mr. THUNE (for himself, Mr. ROBERTS, Mr. GRASSLEY, Mr. ROUNDS, and Mr. HOEVEN) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page ____, line _____, strike ''(g) TERMINATION.—'' and insert:

''(g) DEDUCTION ALLOWED TO SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVES.—

''(1) IN GENERAL.—In the case of any taxable year of a specified agricultural or horticultural cooperative beginning after December 31, 2017, there shall be allowed a deduction in an amount equal to the lesser of—

''(A) 17.4 percent of the cooperative's taxable income for the taxable year, or

''(B) 50 percent of the W-2 wages of the cooperative with respect to its trade or business.

''(2) SPECIFIED AGRICULTURAL OR HORTICULTURAL COOPERATIVE.—For purposes of this subsection, the term 'specified agricultural or horticultural cooperative' means an organization to which part I of subchapter T applies which is engaged in—

''(A) the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product,

''(B) the marketing of agricultural or horticultural products which its patrons have so manufactured, produced, grown, or extracted, or

''(C) the provision of supplies, equipment, or services to farmers or to organizations described in subparagraph (A) or (B).

''(h) TERMINATION.—

SA 1712. Mr. CORNYN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in subtitle D of title I, insert the following:

SEC. ___. CLARIFICATION OF DEFINITION OF QUALIFYING INCOME FOR A PUBLICLY TRADED PARTNERSHIP.

(a) IN GENERAL.—Section 7704(d)(1) is amended—

(1) in subparagraph (F), by striking ''and'' at the end;

(2) in subparagraph (G), by striking the period at the end and inserting '', and''; and

(3) by inserting after subparagraph (G) the following new subparagraph:

''(H) income inclusions under sections 951 and 951A, and other similar amounts included in gross income with respect to the ownership of stock.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to income inclusions on or after November 2, 2017.

SA 1713. Mr. ISAKSON submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 76, strike lines 4 through 12 and insert the following:

SEC. 11043. SUSPENSION OF DEDUCTION FOR CERTAIN RESIDENCE INTEREST.

(a) HOME EQUITY INTEREST.—Section 163(h)(3)(A)(ii) is amended by inserting ''in the case of taxable years beginning before January 1, 2018, or after December 31, 2025,'' before ''home equity indebtedness''.

(b) CERTAIN ADDITIONAL INDEBTEDNESS.—Section 163(h)(3)(B) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL LIMITATION.—Such term shall not include any indebtedness incurred after December 31, 2017, and before January 1, 2026, which does not have priority (within the meaning of such term as used in section 6323) over all other indebtedness secured by the qualified residence which is also incurred in acquiring, constructing, or substantially improving the residence.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2017.

SA 1714. Mr. DAINES (for himself, Mrs. ERNST, Mr. LANKFORD, Mr. MORAN, Mr. INHOFE, Mr. BLUNT, Mrs. FISCHER, and Mr. LEE) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 43, strike line 16 and all that follows through page 45, line 20 and insert the following:

''(4) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

''(A) IN GENERAL.—The credit determined under subsection (a) (after the application of

paragraph (2)) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (c).

''(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—

''(A) IN GENERAL.—Subsection (d)(1)(A) shall be applied without regard to paragraphs (2) and (5) of this subsection.

''(B) ADJUSTMENT FOR INFLATION.—In the case of a taxable year beginning after 2017, subsection (d)(1)(A) shall be applied as if the $1,000 amount in subsection (a) were increased (but not to exceed the amount under paragraph (2) of this subsection) by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins.

Any increase determined under the preceding sentence shall be rounded to the next highest multiple of $100.

''(6) EARNED INCOME THRESHOLD FOR REFUNDABLE CREDIT.—Subsection (d)(1)(B)(i) shall be applied by substituting '$2,500' for '$3,000'.

''(7) SOCIAL SECURITY NUMBER REQUIRED.—No credit shall be allowed under subsection (d) to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of the preceding sentence, the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued to a citizen of the United States or is issued pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act.

''(8) CREDIT ALLOWED WITH RESPECT TO UNBORN CHILDREN.—

''(A) IN GENERAL.—The term 'qualifying child' includes an unborn child (as defined in section 1841(d) of title 18, United States Code) for any such taxable year if such child is born and issued a social security number (as defined in subsection (h)(7)) before the due date for the return of tax (without regard to extensions) for the taxable year.

''(B) DOUBLE CREDIT IN CASE OF CHILDREN UNABLE TO CLAIM CREDIT.—In the case of any child born during a taxable year described in paragraph (1) who is not taken into account under subparagraph (A) for the taxable year immediately preceding the taxable year in which the child is born, the amount of the credit determined under this section with respect to such child for the taxable year of the child's birth shall be increased by 100 percent.''.

SA 1715. Mr. CORNYN (for himself, Mr. INHOFE, and Mr. ROBERTS) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

In section 11011, after subsection (a), insert the following:

(b) APPLICATION TO PUBLICLY TRADED PARTNERSHIPS.—

(1) IN GENERAL.—Section 199A(b)(1)(B), as added by subsection (a), is amended by striking ''and qualified cooperative dividends'' and inserting '', qualified cooperative dividends, and qualified publicly traded partnership income''.

(2) QUALIFIED PUBLICLY TRADED PARTNERSHIP INCOME.—Section 199A(e), as added by subsection (a), is amended by adding at the end the following new paragraph:

''(5) QUALIFIED PUBLICLY TRADED PARTNERSHIP INCOME.—The term 'qualified publicly traded partnership income' means, with respect to any taxpayer, the sum of—

''(A) the net amount of such taxpayer's allocable share of each qualified item of income, gain, deduction, and loss (as defined in subsection (c)(3) and determined after the application of subsection (c)(4)) from a publicly traded partnership (as defined in section 7704(a)) which is not treated as a corporation under section 7704(c), plus

''(B) any gain recognized by such taxpayer upon disposition of its interest in such partnership to the extent such gain is treated as an amount realized from the sale or exchange of property other than a capital asset under section 751(a).''.

(3) CONFORMING AMENDMENT.—Section 199A(c)(1), as added by subsection (a), is amended by adding at the end the following new sentence: ''Such term shall not include any qualified publicly traded partnership income.''.

SA 1716. Mr. BLUNT submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 457, line 7, strike ''(6) REGULATIONS.—'' and insert:

''(6) TRANSITION RULES FOR EXISTING INDEBTEDNESS.—

''(A) LIMITATION NOT TO APPLY.—The limitation under paragraph (1) shall not apply to interest paid or accrued by a domestic corporation on—

''(i) pre-November 10, 2017 indebtedness, or

''(ii) indebtedness issued after November 9, 2017, and before January 1, 2019, in connection with a transaction which was publicly announced before November 9, 2017, and was waiting for regulatory approval on such date.

''(B) INDEBTEDNESS.—For purposes of subparagraph (A)—

''(i) PRE-NOVEMBER 10, 2017 INDEBTEDNESS.—The term 'pre-November 10, 2017 indebtedness' means any indebtedness issued before November 10, 2017.

''(ii) SIGNIFICANT MODIFICATIONS.—If any indebtedness described in subparagraph (A) is significantly modified after November 9, 2017 (the date of issuance in the case of indebtedness described in subparagraph (A)(ii)), this paragraph shall not apply any interest paid or accrued on such indebtedness on or after the date such modification takes effect.

''(7) REGULATIONS.—

SA 1717. Ms. CANTWELL (for herself, Mr. MARKEY, Mr. BENNET, Mr. LEAHY, Mr. WYDEN, Mr. UDALL, Ms. STABENOW, Mr. HEINRICH, and Ms. CORTEZ MASTO) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike title II.

SA 1718. Mr. MANCHIN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike subsection (a) of section 13001 and insert the following:

(a) IN GENERAL.—Subsection (b) of section 11 is amended to read as follows:

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amount of the tax imposed by subsection (a) shall be 25 percent of taxable income.

''(2) FURTHER REDUCTION.—

''(A) IN GENERAL.—Subject to subparagraph (B)—

''(i) in the case of any taxable year beginning after December 31, 2022, and before January 1, 2026, paragraph (1) shall be applied by substituting '23 percent' for '25 percent', and

''(ii) in the case of any taxable year beginning after December 31, 2025, paragraph (1) shall be applied by substituting '20 percent' for '25 percent'.

''(B) REVENUE PROJECTION TRIGGER.—Subparagraph (A) shall not apply to any taxable year beginning in a calendar year unless the revenues estimated for all preceding calendar years beginning after December 31, 2018, (as determined by the Joint Committee on Taxation on the date of the enactment of the Tax Cuts and Jobs Act) equals or exceeds actual revenue for such calendar years (as determined by the Secretary of the Treasury).''.

SA 1719. Mr. COONS submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. FULL RECOVERY FUNDING FOR PUERTO RICO AND THE U.S. VIRGIN ISLANDS BEFORE TAX CUTS FOR THE WEALTHY.

Any provision of this Act which provides a reduction in taxes for the wealthiest Americans shall apply only to taxable years beginning after the date on which full funding is provided to the residents of Puerto Rico and the U.S. Virgin Islands for their hurricane recovery efforts and all such residents have access to electricity, telecommunications, safe drinking water, and wastewater services.

SA 1720. Mr. SANDERS (for himself, Mr. LEAHY, Mr. BROWN, Ms. HARRIS, Ms. BALDWIN, Mr. UDALL, Mr. REED, Mr. MARKEY, Mr. HEINRICH, Ms. HIRONO, Mr. FRANKEN, Mr. WYDEN, and Mr. NELSON) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. POINT OF ORDER AGAINST LEGISLATION THAT CUTS SOCIAL SECURITY, MEDICARE, OR MEDICAID BENEFITS.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would—

(1) result in a reduction of guaranteed benefits scheduled under title II of the Social Security Act;

(2) increase either the early or full retirement age for the benefits described in paragraph (1);

(3) privatize Social Security;

(4) result in a reduction of guaranteed benefits for individuals entitled to, or enrolled for, benefits under the Medicare program under title XVIII of such Act; or

(5) result in a reduction of benefits or eligibility for individuals enrolled in, or eligible to receive medical assistance through, a State Medicaid plan or waiver under title XIX of such Act.

(b) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of two-thirds of the Members, duly chosen and sworn. An affirmative vote of two-thirds of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

SA 1721. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. INCLUSION OF QUALIFIED MEMBERS OF A RESERVE COMPONENT.

(a) IN GENERAL.—Subsection (d) of section 51 is amended—

(1) in paragraph (1)—

(A) in subparagraph (I), by striking ''or'' at the end,

(B) in subparagraph (J), by striking the period at the end and inserting '', or'', and

(C) by adding at the end the following new subparagraph:

''(K) a qualified member of a reserve component.'', and

(2) by adding at the end the following new paragraph:

''(16) QUALIFIED MEMBER OF A RESERVE COMPONENT.—The term 'qualified member of a reserve component' means any individual who is certified by the designated local agency as, for not less than 60 days during the 12-month period ending on the hiring date, being on orders for—

''(A) training under section 502, 503, 504, or 505 of title 32, United States Code, or

''(B) active duty under section 12301, 12302, 12304, 12304a, or 12304b of title 10, United States Code.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2017.

SA 1722. Mr. UDALL (for himself and Mr. HEINRICH) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. POINT OF ORDER AGAINST LEGISLATION THAT CUTS MEDICARE OR MEDICAID BENEFITS.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would—

(1) result in a reduction of guaranteed benefits for individuals entitled to, or enrolled for, benefits under the Medicare program under title XVIII of such Act; or

(2) result in a reduction of benefits or eligibility for individuals enrolled in, or eligible to receive medical assistance through, a State Medicaid plan or waiver under title XIX of such Act.

(b) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of two-thirds of the Members, duly chosen and sworn. An affirmative vote of two-thirds of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

SA 1723. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart B of part VII of subtitle C of title I, insert the following:

SEC. 13615. REDUCTION IN MINIMUM AGE FOR ALLOWABLE IN-SERVICE DISTRIBUTIONS.

(a) IN GENERAL.—Section 401(a)(36) is amended by striking ''age 62'' and inserting ''age 59 ½''.

(b) APPLICATION TO GOVERNMENTAL SECTION 457(b) PLANS.—Clause (i) of section 457(d)(1)(A) is amended by inserting ''(in the case of a plan maintained by an employer described in subsection (e)(1)(A), age 59 ½)'' before the comma at the end.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2017.

SA 1724. Mr. HATCH (for himself, Mr. CASSIDY, Mr. PORTMAN, Mr. GRASSLEY, Mr. ROBERTS, Mr. CRAPO, Mr. CORNYN, Mr. THUNE, Mr. RISCH, Ms. MURKOWSKI, Mr. INHOFE, Mr. SULLIVAN, Mr. COCHRAN, Mr. KENNEDY, Mr. WICKER, and Mr. BOOZMAN) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 307, strike line 1 and all that follows through line 22.

SA 1725. Mr. CRUZ (for himself, Mr. COTTON, Mr. LEE, and Mr. SASSE) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part IV of subtitle A of title I, insert the following:

SEC. 11033. 529 ACCOUNT FUNDING FOR ELEMENTARY AND SECONDARY EDUCATION.

(a) IN GENERAL.—

(1) IN GENERAL.—Section 529(c) is amended by adding at the end the following new paragraph:

''(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this subsection to the term 'qualified higher education expense' shall include a reference to—

''(A) expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, and

''(B) expenses for—

''(i) curriculum and curricular materials,

''(ii) books or other instructional materials,

''(iii) online educational materials,

''(iv) tuition for tutoring or educational classes outside of the home (but only if the tutor or instructor is not related to the student),

''(v) dual enrollment in an institution of higher education, and

''(vi) educational therapies for students with disabilities,

in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law).''.

(2) LIMITATION.—Section 529(e)(3)(A) is amended by adding at the end the following: ''The amount of cash distributions from all qualified tuition programs described in subsection (b)(1)(A)(ii) with respect to a beneficiary during any taxable year shall, in the aggregate, include not more than $10,000 in expenses described in subsection (c)(7) incurred during the taxable year.''.

(b) OFFSET.—Paragraph (2) of section 127(a) is amended—

(1) by striking ''$5,250'' in the heading and inserting ''$2,500'', and

(2) by striking ''$5,250'' each place it appears and inserting ''$2,500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2017.

SA 1726. Mr. RISCH (for himself and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 402, strike lines 12 through 24 and insert the following:

''(2) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—The term 'accumulated post-1986 deferred foreign income' means post-1986 earnings and profits—

''(A) except to the extent such earnings—

''(i) are attributable to income of the specified foreign corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter, or

''(ii) in the case of a controlled foreign corporation, if distributed, would be excluded from the gross income of a United States shareholder under section 959, and

''(B) reduced by the amount of deductions recognized by a specified foreign corporation in taxable years beginning after December 31, 2017, with respect to income recognized by a United States shareholder in taxable years beginning before December 31, 2017.

SA 1727. Mr. RISCH (for himself and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. ___. MODIFICATION TO CALCULATION OF INTEREST LIMITATIONS.

(a) LIMITATION ON DEDUCTION FOR INTEREST.—Paragraph (6) of section 163(j) (as amended by section 13301 of this Act) is amended by inserting '', including related party interest includible under sections 951 or 954 and operating lease income'' after ''business''.

(b) DENIAL OF DEDUCTION FOR INTEREST EXPENSE OF CERTAIN UNITED STATES SHAREHOLDERS.—Subsection (n)(4)(B)(ii) of section 163 (as added by section 14221 of this Act) is amended by inserting ''and operating lease income'' after ''interest''.

SA 1728. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 164, strike lines 5 through 25, and insert the following:

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—

(A) APPLICATION.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 2017.

(B) SHORTER RECOVERY PERIOD OR MORE ACCELERATED DEPRECIATION METHOD.—In the case of property placed in service before January 1, 2018, if the amendments made by this section result in—

(i) an applicable recovery period which is less than the remaining applicable recovery period for such property before enactment of such amendments, or

(ii) an applicable depreciation method which is more accelerated than the applicable depreciation method for such property before enactment of such amendments,

the depreciation deduction for such property shall, for any taxable year beginning after December 31, 2017, be determined as if such property were placed in service on January 1, 2018.

(2) AMENDMENTS RELATED TO ELECTING REAL PROPERTY TRADE OR BUSINESS.—The amendments made by subsection (b)(4)(A) shall apply to taxable years beginning after December 31, 2017.

SA 1729. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13305 and insert the following:

SEC. 13305. REPEAL OF DEDUCTION FOR INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

(a) REPEAL.—

(1) NONCORPORATE TAXPAYERS.—Section 199 is amended by adding at the end the following new subsection:

''(e) TERMINATION FOR TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a C corporation, this section shall not apply to any taxable year beginning after December 31, 2017.''.

(2) ALL OTHER TAXPAYERS.—Part VI of subchapter B of chapter 1, as amended by paragraph (1), is amended by striking section 199 (and by striking the item relating to such section in the table of sections for such part).

(b) CONFORMING AMENDMENTS.—

(1) Sections 74(d)(2)(B), 86(b)(2)(A), 135(c)(4)(A), 137(b)(3)(A), 219(g)(3)(A)(ii), 221(b)(2)(C), 222(b)(2)(C), 246(b)(1), and 469(i)(3)(F)(iii) are each amended by striking ''199,''.

(2) Section 170(b)(2)(D), as amended by section 11011, is amended by striking clause (iv) and by redesignating clauses (v) and (vi) as redesignating clauses (iv) as clause (v), respectively.

(3) Section 172(d) is amended by striking paragraph (7).

(4) Section 613(a) is amended by striking ''and without the deduction under section 199''.

(5) Section 613A(d)(1) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2018.

(2) TERMINATION FOR NONCORPORATE TAXPAYERS.—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 2017.

SA 1730. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 181, lines 16 through 18, strike ''the non-separately stated taxable income or loss of such partnership'' and insert ''any items of income, gain, deduction, or loss of such partnership''.

SA 1731. Mr. HATCH submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 453, strike lines 9 through 16, and insert the following:

(C) TOTAL EQUITY.—For purposes of subparagraph (B), the term ''total equity'' means, with respect to one or more corporations, an amount equal to—

(i) the sum of the money and all other assets of such corporations, reduced (but not below one) by

(ii) the total indebtedness of such corporations.

SA 1732. Mr. GARDNER submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13702.

SA 1733. Mr. MORAN submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Subtitle __—Tribal Tax and Investment Reform

SEC. __. FINDINGS.

The Congress finds the following:

(1) There is a unique Federal legal and political relationship between the United States and Indian tribes.

(2) Indian tribes have the responsibility and authority to provide governmental programs and services to tribal citizens, develop tribal economies, and build community infrastructure to ensure that Indian reservation lands serve as livable, permanent homes.

(3) The United States Constitution, U.S. Federal Court decisions, Executive orders, and numerous other Federal laws and regulations recognize that Indian tribes are governments, retaining the inherent authority to tax and operate as other governments, including (inter alia) financing projects with government bonds and maintaining eligibility for general tax exemptions via their government status.

(4) Codifying tax parity with respect to tribal governments is consistent with Federal treaties recognizing the sovereignty of tribal governments.

(5) That Indian tribes face historic disadvantages in accessing the underlying capital to build the necessary infrastructure for job creation, and that certain statutory restrictions on tribal governance further inhibit tribes' ability to develop strong governance and economies.

(6) Indian tribes are sometimes excluded from the Internal Revenue Code of 1986 in key provisions which results in unfair tax treatment for tribal citizens or unequal enforcement authority for tribal enforcement agencies.

(7) Congress is vested with the authority to regulate commerce with Indian tribes, and hereby exercises that authority in a manner which furthers tribal self-governance, and in doing so, further affirms the United States government-to-government relationship with Indian tribes.

SEC. __. TREATMENT OF INDIAN TRIBES AS STATES WITH RESPECT TO BOND ISSUANCE.

(a) IN GENERAL.—Subsection (c) of section 7871 (relating to Indian tribal governments treated as States for certain purposes) is amended to read as follows:

''(c) SPECIAL RULES FOR TAX-EXEMPT BONDS.—In applying section 146 to bonds issued by Indian tribal governments (or subdivisions thereof), the Secretary shall annually—

''(1) establish a national bond volume cap based on the greater of—

''(A) the State population formula approach in section 146(d)(1)(A) (using national

tribal population estimates supplied annually by the Department of the Interior in consultation with the Census Bureau), and

''(B) the minimum State ceiling amount in section 146(d)(1)(B) (as adjusted in accordance with the cost of living provision in section 146(d)(2)), and

''(2) allocate such national bond volume cap among all Indian tribal governments seeking such an allocation in a particular year under regulations prescribed by the Secretary.''.

(b) REPEAL OF ESSENTIAL GOVERNMENTAL FUNCTION REQUIREMENTS.—Section 7871 is further amended by striking subsections (b) and (e).

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after the date of the enactment of this Act.

(2) SUBSECTION (b).—The repeals made by subsection (b) shall apply to transactions after, and obligations issued in calendar years beginning after, the date of the enactment of this Act.

SEC. __. TREATMENT OF PENSION AND EMPLOYEE BENEFIT PLANS MAINTAINED BY TRIBAL GOVERNMENTS.

(a) IN GENERAL.—

(1) QUALIFIED PUBLIC SAFETY EMPLOYEE.—Section 72(t)(10)(B) (defining qualified public safety employee) is amended by—

(A) striking ''or political subdivision of a State'' and inserting '', political subdivision of a State, or Indian tribe''; and

(B) striking ''such State or political subdivision'' and inserting ''such State, political subdivision, or tribe''.

(2) GOVERNMENTAL PLAN.—The last sentence of section 414(d) (defining governmental plan) is amended to read as follows: ''The term 'governmental plan' includes a plan established or maintained for its employees by an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(3) DOMESTIC RELATIONS ORDER.—Section 414(p)(1)(B)(ii) (defining domestic relations order) is amended by inserting ''or tribal'' after ''State''.

(4) EXEMPT GOVERNMENTAL DEFERRED COMPENSATION PLAN.—Section 3121(v)(3) (defining governmental deferred compensation plan) is amended by inserting ''by an Indian tribal government or subdivision thereof,'' after ''political subdivision thereof,''.

(5) GRANDFATHER OF CERTAIN DEFERRED COMPENSATION PLANS.—Section 457 is amended by adding at the end the following new subsection:

''(h) CERTAIN TRIBAL GOVERNMENT PLANS GRANDFATHERED.—Plans established before the date of enactment of this subsection and maintained by an Indian tribal government (as defined in section 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing, in compliance with subsection (b) or (f) shall be treated as if established by an eligible employer under subsection (e)(1)(A).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

SEC. __. TREATMENT OF TRIBAL FOUNDATIONS AND CHARITIES LIKE CHARITIES FUNDED AND CONTROLLED BY OTHER GOVERNMENTAL FUNDERS AND SPONSORS.

(a) IN GENERAL.—Section 170(b)(1)(A) is amended by adding at the end the following: ''For purposes of clause (vi), the term 'governmental unit' includes an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(b) CERTAIN SUPPORTING ORGANIZATIONS.—Section 509(a) is amended by adding at the end the following: ''For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an Indian tribal government (determined in accordance with section 7871(d)), an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or tribal law which is wholly owned or controlled by any of the foregoing.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. __. RECOGNIZING INDIAN TRIBAL GOVERNMENTS FOR PURPOSES OF DETERMINING UNDER THE ADOPTION CREDIT WHETHER A CHILD HAS SPECIAL NEEDS.

(a) IN GENERAL.—Section 23(d)(3) (defining child with special needs) is amended—

(1) in subparagraph (A), by inserting ''or Indian tribal government'' after ''a State''; and

(2) in subparagraph (B), by inserting ''or Indian tribal government'' after ''such State''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 1734. Mr. GRAHAM (for himself and Mr. HELLER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. TECHNOLOGIES FOR ENERGY JOBS AND SECURITY.

(a) EXTENSION AND PHASEOUT OF RESIDENTIAL ENERGY EFFICIENT PROPERTY.—

(1) EXTENSION.—Section 25D(h) is amended by striking ''December 31, 2016 (December 31, 2021, in the case of any qualified solar electric property expenditures and qualified solar water heating property expenditures)'', and inserting ''December 31, 2021''.

(2) PHASEOUT.—

(A) IN GENERAL.—Paragraphs (3), (4), and (5) of section 25D(a) are amended by striking ''30 percent'' each place it appears and inserting ''the applicable percentage''.

(B) CONFORMING AMENDMENT.—Section 25D(g) is amended by striking ''paragraphs (1) and (2) of''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2017.

(b) EXTENSION AND PHASEOUT OF ENERGY CREDIT.—

(1) CREDIT PERCENTAGE FOR GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(2)(A)(i)(II) is amended by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i) or (iii) of paragraph (3)(A)''.

(2) EXTENSION OF SOLAR AND THERMAL ENERGY PROPERTY.—Section 48(a)(3)(A) is amended—

(A) in clause (ii) by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''; and

(B) in clause (vii) by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''.

(3) PHASEOUT OF 30-PERCENT CREDIT RATE FOR GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(6) is amended—

(A) in the heading, by inserting ''AND GEOTHERMAL'' after ''SOLAR'';

(B) in subparagraph (A), by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i) or (iii) of paragraph (3)(A)''; and

(C) in subparagraph (B), by striking ''property energy property described in paragraph (3)(A)(i)'' and inserting ''energy property described in clause (i) or (iii) of paragraph (3)(A)''.

(4) PHASEOUT OF 30-PERCENT CREDIT RATE FOR FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND ENERGY PROPERTY.—

(A) IN GENERAL.—Section 48(a) is amended by adding the following:

''(7) PHASEOUT FOR FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND ENERGY PROPERTY.—In the case of any energy property described in paragraph (3)(A)(ii), qualified fuel cell property, or qualified small wind property, the energy percentage determined under paragraph (2) shall be equal to—

''(A) in the case of any property the construction of which begins after December 31, 2019, and before January 1, 2021, 26 percent, and

''(B) in the case of any property the construction of which begins after December 31, 2020, and before January 1, 2022, 22 percent.''.

(B) CONFORMING AMENDMENT.—Section 48(a)(2)(A) is amended by striking ''paragraph (6)'' and inserting ''paragraphs (6) and (7)''.

(5) EXTENSION OF QUALIFIED FUEL CELL PROPERTY.—Section 48(c)(1)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(6) EXTENSION OF QUALIFIED MICROTURBINE PROPERTY.—Section 48(c)(2)(D) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(7) EXTENSION OF COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48(c)(3)(A)(iv) is amended by striking ''which is placed in service before January 1, 2017'' and inserting ''the construction of which begins before January 1, 2022''.

(8) EXTENSION OF QUALIFIED SMALL WIND ENERGY PROPERTY.—Section 48(c)(4)(C) is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(9) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2017.

(c) WASTE HEAT TO POWER PROPERTY.—

(1) IN GENERAL.—

(A) INTRODUCTION OF WASTE TO HEAT POWER ENERGY PROPERTY.—Section 48(a)(3)(A) is amended—

(i) at the end of clause (vi) by striking ''or''; and

(ii) at the end of clause (vii) by inserting ''or'' after the comma; and

(iii) by adding the following:

''(viii) waste heat to power property,''.

(B) DEFINITIONS AND LIMITATIONS.—Section 48(c) is amended by adding the following:

''(5) WASTE HEAT TO POWER PROPERTY.—

''(A) IN GENERAL.—The term 'waste heat to power property' means property—

''(i) comprising a system which generates electricity through the recovery of a qualified waste heat resource, and

''(ii) the construction of which begins before January 1, 2022.

''(B) QUALIFIED WASTE HEAT RESOURCE.—The term 'qualified waste heat resource' means—

''(i) exhaust heat or flared gas from an industrial process that does not have, as its primary purpose, the production of electricity, and

''(ii) a pressure drop in any gas for an industrial or commercial process.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—For purposes of subsection (a)(1), the basis of any waste heat to power property taken into account under this section shall not exceed the excess of—

''(I) the basis of such property, over

''(II) the fair market value of comparable property which does not have the capacity to capture and convert a qualified waste heat resource to electricity.

''(ii) CAPACITY LIMITATION.—The term 'waste heat to power property' shall not include any property comprising a system if such system has a capacity in excess of 50 megawatts.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after December 31, 2016, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(d) MODIFICATIONS OF CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.—

(1) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—Section 45J(b) is amended—

(A) in paragraph (4), by inserting ''or any amendment to'' after ''enactment of'', and

(B) by adding at the end the following new paragraph:

''(5) ALLOCATION OF UNUTILIZED LIMITATION.—

''(A) IN GENERAL.—Any unutilized national megawatt capacity limitation shall be allocated by the Secretary under paragraph (3) as rapidly as is practicable after December 31, 2020—

''(i) first to facilities placed in service on or before such date to the extent that such facilities did not receive an allocation equal to their full nameplate capacity, and

''(ii) then to facilities placed in service after such date in the order in which such facilities are placed in service.

''(B) UNUTILIZED NATIONAL MEGAWATT CAPACITY LIMITATION.—The term 'unutilized national megawatt capacity limitation' means the excess (if any) of—

''(i) 6,000 megawatts, over

''(ii) the aggregate amount of national megawatt capacity limitation allocated by the Secretary before January 1, 2021, reduced by any amount of such limitation which was allocated to a facility which was not placed in service before such date.

''(C) COORDINATION WITH OTHER PROVISIONS.—In the case of any unutilized national megawatt capacity limitation allocated by the Secretary pursuant to this paragraph—

''(i) such allocation shall be treated for purposes of this section in the same manner as an allocation of national megawatt capacity limitation, and

''(ii) subsection (d)(1)(B) shall not apply to any facility which receives such allocation.''.

(2) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

(A) IN GENERAL.—Section 45J is amended—

(i) by redesignating subsection (e) as subsection (f), and

(ii) by inserting after subsection (d) the following new subsection:

''(e) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—

''(1) IN GENERAL.—If, with respect to a credit under subsection (a) for any taxable year—

''(A) the taxpayer would be a qualified public entity, and

''(B) such entity elects the application of this paragraph for such taxable year with respect to all (or any portion specified in such election) of such credit,

the eligible project partner specified in such election (and not the qualified public entity) shall be treated as the taxpayer for purposes of this title with respect to such credit (or such portion thereof).

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) QUALIFIED PUBLIC ENTITY.—The term 'qualified public entity' means—

''(i) a Federal, State, or local government entity, or any political subdivision, agency, or instrumentality thereof,

''(ii) a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2), or

''(iii) a not-for-profit electric utility which has or had received a loan or loan guarantee under the Rural Electrification Act of 1936.

''(B) ELIGIBLE PROJECT PARTNER.—The term 'eligible project partner' means—

''(i) any person responsible for, or participating in, the design or construction of the advanced nuclear power facility to which the credit under subsection (a) relates,

''(ii) any person who participates in the provision of the nuclear steam supply system to the advanced nuclear power facility to which the credit under subsection (a) relates,

''(iii) any person who participates in the provision of nuclear fuel to the advanced nuclear power facility to which the credit under subsection (a) relates, or

''(iv) any person who has an ownership interest in such facility.

''(3) SPECIAL RULES.—

''(A) APPLICATION TO PARTNERSHIPS.—In the case of a credit under subsection (a) which is determined at the partnership level—

''(i) for purposes of paragraph (1)(A), a qualified public entity shall be treated as the taxpayer with respect to such entity's distributive share of such credit, and

''(ii) the term 'eligible project partner' shall include any partner of the partnership.

''(B) TAXABLE YEAR IN WHICH CREDIT TAKEN INTO ACCOUNT.—In the case of any credit (or portion thereof) with respect to which an election is made under paragraph (1), such credit shall be taken into account in the first taxable year of the eligible project partner ending with, or after, the qualified public entity's taxable year with respect to which the credit was determined.

''(C) TREATMENT OF TRANSFER UNDER PRIVATE USE RULES.—For purposes of section 141(b)(1), any benefit derived by an eligible project partner in connection with an election under this subsection shall not be taken into account as a private business use.''.

(B) SPECIAL RULE FOR PROCEEDS OF TRANSFERS FOR MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) is amended by adding at the end the following new subparagraph:

''(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2), income received or accrued in connection with an election under section 45J(e)(1) shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.''.

(3) EFFECTIVE DATES.—

(A) TREATMENT OF UNUTILIZED LIMITATION AMOUNTS.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(B) TRANSFER OF CREDIT BY CERTAIN PUBLIC ENTITIES.—The amendments made by paragraph (2) shall apply to taxable years beginning after December 31, 2017.

SA 1735. Mr. ROUNDS (for himself, Mr. HATCH, Mr. PERDUE, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 171, beginning with line 17, strike all through page 172, line 17, and insert the following:

''(b) INCLUSION NOT LATER THAN FOR FINANCIAL ACCOUNTING PURPOSES.—

''(1) INCOME TAKEN INTO ACCOUNT IN FINANCIAL STATEMENT.—

''(A) IN GENERAL.—In the case of a taxpayer the taxable income of which is computed under an accrual method of accounting, the all events test with respect to any item of gross income (or portion thereof) shall not be treated as met any later than when such item (or portion thereof) is taken into account as revenue in—

''(i) an applicable financial statement of the taxpayer, or

''(ii) such other financial statement as the Secretary may specify for purposes of this subsection.

''(B) EXCEPTION.—This paragraph shall not apply to—

''(i) a taxpayer which does not have a financial statement described in clause (i) or (ii) of subparagraph (A) for a taxable year, or

''(ii) any item of gross income in connection with a mortgage servicing contract.

''(C) ALL EVENTS TEST.—For purposes of this section, the all events test is met with respect to any item of gross income if all the events have occurred which fix the right to receive such income and the amount of such income can be determined with reasonable accuracy.

''(2) COORDINATION WITH SPECIAL METHODS OF ACCOUNTING.—Paragraph (1) shall not apply with respect to any item of gross income for which the taxpayer uses a special method of accounting provided under any other provision of this chapter, other than any provision of part V of subchapter P (except as provided in clause (ii) of paragraph (1)(B)).

SA 1736. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 34, line 23, strike ''trust or''.

SA 1737. Mr. ALEXANDER (for himself and Mr. GARDNER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr.

MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 306, strike line 16 and insert the following:

''able year with respect to such institution.

''(3) EXEMPT PURPOSE ASSETS.—For purposes of subsection (b)(1)(C), the amount of assets treated as being used directly in carrying out the institution's exempt purpose shall include—

''(A) the fair market value of tangible and real property assets of the institution,

''(B) financial assets of the institution which are subject to restrictions for use solely for financial aid or other educational or research activities of the institution, and

''(C) assets designated by the institution's governing board to be used solely for specific purposes which are directly related to the institution's exempt purpose.''.

SA 1738. Mr. ALEXANDER (for himself, Mr. GARDNER, Mr. ISAKSON, and Mr. PERDUE) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 305, line 1, strike ''$250,000'' and insert ''$500,000''.

SA 1739. Mr. UDALL (for himself, Mr. HEINRICH, Mr. WYDEN, and Mr. BENNET) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. 20004. FUNDING FOR THE PAYMENT IN LIEU OF TAXES PROGRAM.

Section 6906 of title 31, United States Code, is amended in the matter preceding paragraph (1), by striking ''each of fiscal years 2008 through 2014'' and inserting ''fiscal year 2018 and each fiscal year thereafter''.

SEC. 20005. PERMANENT AUTHORIZATION FOR THE SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000.

(a) SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND.—

(1) CALCULATION OF PAYMENTS.—Section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111) is amended by striking ''of fiscal years 2008 through 2015'' each place it appears and inserting ''fiscal year''.

(2) ELECTIONS.—Section 102(b)(2)(B) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(b)(2)(B)) is amended by striking ''through fiscal year 2015''.

(3) NOTIFICATION OF ELECTION.—Section 102(d)(1)(E) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(d)(1)(E)) is amended by striking ''fiscal years 2014 and 2015'' and inserting ''fiscal year 2014 and each fiscal year thereafter''.

(4) DISTRIBUTION OF PAYMENTS TO ELIGIBLE COUNTIES.—Section 103(d)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7113(d)(2)) is amended by striking ''each of fiscal years 2011 through 2015'' and inserting ''fiscal year 2011 and each fiscal year thereafter''.

(b) AUTHORITY TO CONDUCT SPECIAL PROJECTS ON FEDERAL LAND.—

(1) IN GENERAL.—The Secure Rural Schools and Community Self-Determination Act of 2000 is amended by striking section 208 (16 U.S.C. 7128).

(2) CONFORMING AMENDMENTS.—Section 207 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7127) is amended—

(A) in subsection (b), by striking ''Subject to section 208, if'' and inserting ''If''; and

(B) in subsection (c), by striking ''Subject to section 208, any'' and inserting ''any''.

(c) TERMINATION OF AUTHORITY.—The Secure Rural Schools and Community Self-Determination Act of 2000 is amended by striking section 304 (16 U.S.C. 7144).

SEC. 20006. CORPORATE TAX RATE.

Section 11(b) of the Internal Revenue Code of 1986 (as amended by section 13001(a)) is amended by striking ''20 percent'' and inserting ''20.1 percent''.

SA 1740. Ms. COLLINS (for herself and Mr. KING) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 2. REFUNDABILITY OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(1) by redesignating section 21 as section 36C, and

(2) by moving section 36C, as so redesignated, from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 23(f) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(2) Paragraph (6) of section 35(g) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(3) Paragraph (1) of section 36C(a) (as redesignated by subsection (a)) is amended by striking ''this chapter'' and inserting ''this subtitle''.

(4) Subparagraph (C) of section 129(a)(2) is amended by striking ''section 21(e)'' and inserting ''section 36C(e)''.

(5) Paragraph (2) of section 129(b) is amended by striking ''section 21(d)(2)'' and inserting ''section 36C(d)(2)''.

(6) Paragraph (1) of section 129(e) is amended by striking ''section 21(b)(2)'' and inserting ''section 36C(b)(2)''.

(7) Subsection (e) of section 213 is amended by striking ''section 21'' and inserting ''section 36C''.

(8) Subparagraph (H) of section 6213(g)(2) is amended by striking ''section 21'' and inserting ''section 36C''.

(9) Subparagraph (L) of section 6213(g)(2) is amended by striking ''section 21, 24, or 32,'' and inserting ''section 24, 32, or 36C,''.

(10) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''36C,'' after ''36B,''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following:

''Sec. 36C. Expenses for household and dependent care services necessary for gainful employment.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1741. Ms. COLLINS (for herself and Mr. KING) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 2. REFUNDABILITY OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended—

(1) by redesignating section 21 as section 36C, and

(2) by moving section 36C, as so redesignated, from subpart A of part IV of subchapter A of chapter 1 to the location immediately before section 37 in subpart C of part IV of subchapter A of chapter 1.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 23(f) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(2) Paragraph (6) of section 35(g) is amended by striking ''21(e)'' and inserting ''36C(e)''.

(3) Paragraph (1) of section 36C(a) (as redesignated by subsection (a)) is amended by striking ''this chapter'' and inserting ''this subtitle''.

(4) Subparagraph (C) of section 129(a)(2) is amended by striking ''section 21(e)'' and inserting ''section 36C(e)''.

(5) Paragraph (2) of section 129(b) is amended by striking ''section 21(d)(2)'' and inserting ''section 36C(d)(2)''.

(6) Paragraph (1) of section 129(e) is amended by striking ''section 21(b)(2)'' and inserting ''section 36C(b)(2)''.

(7) Subsection (e) of section 213 is amended by striking ''section 21'' and inserting ''section 36C''.

(8) Subparagraph (H) of section 6213(g)(2) is amended by striking ''section 21'' and inserting ''section 36C''.

(9) Subparagraph (L) of section 6213(g)(2) is amended by striking ''section 21, 24, or 32,'' and inserting ''section 24, 32, or 36C,''.

(10) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''36C,'' after ''36B,''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following:

''Sec. 36C. Expenses for household and dependent care services necessary for gainful employment.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(c) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to taxable years beginning after December 31, 2017.

SA 1742. Mr. HOEVEN submitted an amendment intended to be proposed to

amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. TREATMENT OF INDIAN TRIBES AS STATES WITH RESPECT TO BOND ISSUANCE.

(a) REPEAL OF ESSENTIAL GOVERNMENTAL FUNCTION REQUIREMENT.—Paragraph (1) of section 7871(c) is amended to read as follows:

''(1) IN GENERAL.—Subsection (a) of section 103 shall apply to any obligation (not described in paragraph (2)) issued by an Indian tribal government (or subdivision thereof) except in the case of any obligation issued as part of an issue if any portion of the proceeds of such issue are used to finance—

''(A) any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act) is conducted or housed or any other property actually used in the conduct of such gaming, or

''(B) any facility located outside the Indian reservation (as defined in section 168(j)(6)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued in calendar years beginning after the date of the enactment of this Act.

SA 1743. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1_____. MODIFICATIONS TO CORPORATE TAX RATE AND EXPENSING.

(a) INCREASE IN CORPORATE TAX RATE.—

(1) IN GENERAL.—Section 11(b), as amended by section 13001, is amended by striking ''20 percent'' and inserting ''21 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2018.

(b) EXTENSION OF 100 PERCENT EXPENSING.—

(1) IN GENERAL.—Section 168(k), as amended by section 13201 of this Act, is amended—

(A) in the heading, by striking ''JANUARY 1, 2023'' and inserting ''JANUARY 1, 2027'',

(B) in paragraph (2)—

(i) in subparagraph (A)(iii), clauses (i)(III) and (ii) of subparagraph (B), and subparagraph (E)(i), by striking ''January 1, 2023'' each place it appears and inserting ''January 1, 2027'', and

(ii) in subparagraph (B)—

(I) in clause (i)(II), by striking ''January 1, 2024'' and inserting ''January 1, 2028'', and

(II) in the heading of clause (ii), by striking ''PRE-JANUARY 1, 2023'' and inserting ''PRE-JANUARY 1, 2027'', and

(C) in paragraph (5)(A), by striking ''January 1, 2023'' and inserting ''January 1, 2027''.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 460(c)(6)(B) is amended by striking ''January 1, 2023 (January 1, 2024'' and inserting ''January 1, 2027 (January 1, 2028''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall take effect as if included in the amendments made by section 13201 of this Act.

SA 1744. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11051 and insert the following:

SEC. _____. ELIMINATION OF WAGERING LOSS DEDUCTION.

(a) IN GENERAL.—Subsection (d) of section 165 is amended to read as follows:

''(d) NO DEDUCTION OF WAGERING LOSSES.—Losses from wagering transactions shall not be allowed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1745. Mr. BURR submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 50, between lines 4 and 5, insert the following:

(3) RESPONSIBILITY FOR CONTRIBUTION LIMITATION.—Paragraph (2) of section 529A(b) is amended by adding at the end the following: ''A designated beneficiary (or a person acting on behalf of such beneficiary) shall maintain adequate records for purposes of ensuring, and shall be responsible for ensuring, that the requirements of subparagraph (B)(ii) are met.''

SA 1746. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. TERMINATION OF CREDIT FOR NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30D (and by striking the item relating to such section in the table of sections for such subpart).

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (35).

(2) Section 1016(a) is amended by striking paragraph (37).

(3) Section 6501(m) is amended by striking ''30D(e)(4),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles placed in service in taxable years beginning after December 31, 2017.

SA 1747. Mr. ALEXANDER submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart A of part V of subtitle C of title I, add the following:

SEC. 13405. TERMINATION OF CREDIT FOR ELECTRICITY PRODUCED FROM WIND.

(a) IN GENERAL.—Paragraph (1) of section 45(d) is amended by striking ''2020'' and inserting ''2018''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (5) of section 45(b) is amended by striking ''shall be reduced by'' and all that follows through the period and inserting ''shall be reduced by 20 percent in the case of any facility the construction of which begins after December 31, 2016, and before January 1, 2018.''.

(2) Clause (ii) of section 48(a)(5)(C) is amended by striking ''January 1, 2020'' and inserting ''January 1, 2018''.

(3) Subparagraph (E) of section 48(a)(5) is amended by striking ''shall be reduced by'' and all that follows through the period and inserting ''shall be reduced by 20 percent in the case of any facility the construction of which begins after December 31, 2016, and before January 1, 2018.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to electricity produced and sold in taxable years beginning after the date of the enactment of this Act.

(2) TREATMENT AS ENERGY PROPERTY.—The amendments made by paragraphs (2) and (3) of subsection (b) shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.

SA 1748. Mr. CARDIN (for himself, Mrs. MURRAY, Mr. CASEY, and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part IX of subtitle C of title I, insert the following new subpart:

Subpart C—Incentives for Economic Development

CHAPTER 1—REHABILITATION CREDIT

SEC. 13901. INCREASE IN THE REHABILITATION CREDIT FOR CERTAIN SMALL PROJECTS.

(a) IN GENERAL.—Section 47 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(e) SPECIAL RULE REGARDING CERTAIN SMALL PROJECTS.—

''(1) IN GENERAL.—In the case of any qualified rehabilitated building or portion thereof—

''(A) which is placed in service after the date of the enactment of this subsection, and

''(B) which is a small project,

subsection (a)(2) shall be applied by substituting '30 percent' for '20 percent'.

''(2) MAXIMUM CREDIT.—The credit under this section (after application of this subsection) with respect to any project for all taxable years shall not exceed $750,000.

''(3) SMALL PROJECT.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'small project' means any certified historic structure or portion thereof if—

''(i) the total qualified rehabilitation expenditures taken into account for purposes of this section with respect to the rehabilitation do not exceed $3,750,000, and

''(ii) no credit was allowed under this section for either of the two immediately preceding taxable years with respect to such building.

''(B) PROGRESS EXPENDITURES.—Credit allowable by reason of subsection (d) shall not

be taken into account under subparagraph (A)(ii).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 13902. ALLOWANCE FOR THE TRANSFER OF CREDITS FOR CERTAIN SMALL PROJECTS.

(a) IN GENERAL.—Section 47(e) of the Internal Revenue Code of 1986, as added by section 13901, is amended by adding at the end the following new paragraph:

''(4) TRANSFER OF SMALL PROJECT CREDIT.—

''(A) IN GENERAL.—Subject to subparagraph (B) and such regulations or other guidance as the Secretary may provide, the taxpayer may transfer to any other taxpayer all or a portion of the credit allowable to the taxpayer under subsection (a) for a small project.

''(B) CERTIFICATION.—A transfer under subparagraph (A) shall be accompanied by a certificate which includes—

''(i) the certification for the certified historic structure,

''(ii) the taxpayer's name, address, and tax identification number,

''(iii) the transferee's name, address, and tax identification number,

''(iv) the date of project completion and the amount of credit being transferred, and

''(v) such other information as may be required by the Secretary.

''(C) CREDIT MAY ONLY BE TRANSFERRED ONCE.—A credit transferred under subparagraph (A) is not transferable by the transferee to any other taxpayer.

''(D) TAX TREATMENT OF TRANSFER.—

''(i) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for any amount of consideration paid or incurred by the transferee in return for the transfer of any credit under this paragraph.

''(ii) ALLOWANCE OF CREDIT.—The amount of credit transferred under subparagraph (A)—

''(I) shall not be allowed to the transferor for any taxable year, and

''(II) shall be allowable to the transferee as a credit under this section for the taxable year of the transferee in which such credit is transferred.

''(E) RECAPTURE AND OTHER SPECIAL RULES.—For purposes of section 50, the transferee of a credit with respect to a smaller project under this paragraph shall be treated as the taxpayer with respect to the smaller project.

''(F) INFORMATION REPORTING.—The transferor and the transferee shall each make such reports regarding the transfer of an amount of credit under subparagraph (A), and containing such information, as the Secretary may require. The reports required by this subparagraph shall be filed at such time and in such manner as may be required by the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to periods after December 31, 2016.

SEC. 13903. INCREASING THE TYPE OF BUILDINGS ELIGIBLE FOR REHABILITATION.

(a) IN GENERAL.—Section 47(c)(1)(C)(i)(I) of the Internal Revenue Code of 1986 is amended by inserting ''50 percent of'' before ''the adjusted basis''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2016.

SEC. 13904. REDUCTION OF BASIS ADJUSTMENT FOR REHABILITATION PROPERTY.

(a) IN GENERAL.—Section 50(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(6) SPECIAL RULE RELATING TO THE REHABILITATION CREDIT.—In the case of any rehabilitation credit—

''(A) only 50 percent of such credit shall be taken into account under paragraph (1), and

''(B) only 50 percent of any recapture amount attributable to such credit shall be taken into account under paragraph (2).''.

(b) COORDINATION WITH BASIS ADJUSTMENT.—Subsection (d) of section 50 of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''For purposes of paragraph (5), in applying the provisions of section 48(d)(5)(B) (as so in effect) to a lease of property eligible for the credit under section 47, gross income of the lessee of such property shall include, ratably over the shortest recovery period applicable to such property under section 168, an amount equal to 50 percent of the amount of the credit allowable under section 38 to such lessee with respect to such property.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 13905. MODIFICATIONS REGARDING CERTAIN TAX-EXEMPT USE PROPERTY.

(a) IN GENERAL.—Section 47(c)(2)(B)(v)(I) of the Internal Revenue Code of 1986 is amended by inserting '', and subclauses (I), (II), and (III) of section 168(h)(1)(B)(ii) shall not apply'' after ''thereof''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

CHAPTER 2—NEW MARKETS TAX CREDIT

SEC. 13911. PERMANENT EXTENSION OF NEW MARKETS TAX CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (G) of section 45D(f)(1) of the Internal Revenue Code of 1986 is amended by striking ''for each of calendar years 2010 through 2019'' and inserting ''for calendar year 2010 and each calendar year thereafter''.

(2) CONFORMING AMENDMENT.—Section 45D(f)(3) of such Code is amended by striking the last sentence.

(b) INFLATION ADJUSTMENT.—Subsection (f) of section 45D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any calendar year beginning after 2016, the dollar amount in paragraph (1)(G) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING RULE.—Any increase under subparagraph (A) which is not a multiple of $1,000,000 shall be rounded to the nearest multiple of $1,000,000.''.

(c) ALLOCATIONS DESIGNATED FOR AREAS IMPACTED BY DECLINE IN MANUFACTURING.—Section 45D(f) of such Code, as amended by subsection (b), is amended by adding at the end the following new paragraph:

''(5) ALLOCATIONS FOR AREAS IMPACTED BY DECLINE IN MANUFACTURING.—The new markets tax credit limitation otherwise determined under paragraph (1) for each calendar year shall be increased by $1,000,000,000. A qualified community development entity shall be eligible for an allocation under paragraph (2) of the increase described in the preceding sentence only if a significant mission of such entity is providing investments and services to persons in the trade or business of manufacturing products in communities which have suffered major manufacturing job losses or a major manufacturing job loss event, as designated by the Secretary. Paragraph (3) shall be applied separately with respect to the increase provided under this paragraph.''.

(d) ALTERNATIVE MINIMUM TAX RELIEF.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating clauses (v) through (xi) as clauses (vi) through (xii), respectively, and

(2) by inserting after clause (iv) the following new clause:

''(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made after December 31, 2016,''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2016.

(2) ALTERNATIVE MINIMUM TAX RELIEF.—The amendments made by subsection (d) shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after December 31, 2016.

CHAPTER 3—LOW INCOME HOUSING TAX CREDIT

SEC. 13921. INCREASES IN STATE ALLOCATIONS.

(a) PHASE-IN OF INCREASES.—

(1) IN GENERAL.—Clause (ii) of section 42(h)(3)(C) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''$1.75'' in subclause (I) and inserting ''the per capita dollar amount'', and

(B) by striking ''$2,000,000'' in subclause (II) and inserting ''the minimum ceiling amount''.

(2) PER CAPITA DOLLAR AMOUNT; MINIMUM CEILING AMOUNT.—Subparagraph (I) of section 42(h)(3) of such Code is amended to read as follows:

''(I) PER CAPITA DOLLAR AMOUNT; MINIMUM CEILING AMOUNT.—For purposes of this paragraph—

''(i) PER CAPITA DOLLAR AMOUNT.—The per capita dollar amount is—

''(I) for calendar year 2017, $2.35,

''(II) for calendar year 2018, $2.59,

''(III) for calendar year 2019, $2.82,

''(IV) for calendar year 2020, $3.06,

''(V) for calendar year 2021, $3.29, and

''(VI) $3.53 thereafter.

''(ii) MINIMUM CEILING AMOUNT.—The minimum ceiling amount is—

''(I) for calendar year 2017, $2,710,000,

''(II) for calendar year 2018, $2,981,000,

''(III) for calendar year 2019, $3,252,000,

''(IV) for calendar year 2020, $3,523,000,

''(V) for calendar year 2021, $3,794,000, and

''(VI) $4,065,000 thereafter.''.

(3) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (H) of section 42(h)(3) of such Code is amended—

(A) by striking ''2002'' in clause (i) and inserting ''2017'',

(B) by striking ''the $2,000,000 and $1.75 amounts in subparagraph (C)'' in clause (i) and inserting ''the dollar amounts applicable to such calendar year under clauses (i) and (ii) of subparagraph (I)'',

(C) by striking ''2001'' in clause (i)(II) and inserting ''2016'',

(D) by striking ''$2,000,000'' in clause (ii)(I) and inserting ''minimum ceiling'', and

(E) by striking ''$1.75'' in clause (ii)(II) and inserting ''per capita dollar''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar years beginning after December 31, 2017.

(b) PERMANENT INCREASES.—

(1) IN GENERAL.—Clause (ii) of section 42(h)(3)(C) of the Internal Revenue Code of 1986, as amended by subsection (a)(1), is amended—

(A) by striking ''the per capita dollar amount'' in subclause (I) and inserting ''$3.53'', and

(B) by striking ''the minimum ceiling amount'' in subclause (II) and inserting ''$4,065,000''.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 42(h) of such Code is amended by striking subparagraph (I), as amended by subsection (a)(2).

(3) COST-OF-LIVING ADJUSTMENT.—Subparagraph (H) of section 42(h)(3) of such Code, as amended by subsection (a)(3), is amended—

(A) by striking ''the dollar amounts applicable to such calendar year under clauses (i) and (ii) of subparagraph (I)'' in clause (i) and inserting ''the $4,065,000 and $3.53 amounts in subparagraph (C)'',

(B) by striking ''minimum ceiling'' in clause (ii)(I) and inserting ''$4,065,000'', and

(C) by striking ''per capita dollar'' in clause (ii)(II) and inserting ''$3.53''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar years beginning after December 31, 2022.

SEC. 13922. AVERAGE INCOME TEST.

(a) IN GENERAL.—Paragraph (1) of section 42(g) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''subparagraph (A) or (B)'' and inserting ''subparagraph (A), (B), or (C)'', and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) AVERAGE INCOME TEST.—

''(i) IN GENERAL.—The project meets the minimum requirements of this subparagraph if 40 percent or more (25 percent or more in the case of a project described in section 142(d)(6)) of the residential units in such project are both rent-restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit.

''(ii) SPECIAL RULES RELATING TO INCOME LIMITATION.—For purposes of clause (i)—

''(I) DESIGNATION.—The taxpayer shall designate the imputed income limitation of each unit taken into account under such clause.

''(II) AVERAGE TEST.—The average of the imputed income limitations designated under subclause (I) shall not exceed 60 percent of area median gross income.

''(III) 10-PERCENT INCREMENTS.—The designated imputed income limitation of any unit under subclause (I) shall be 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, or 80 percent of area median gross income.''.

(b) RULES RELATING TO NEXT AVAILABLE UNIT.—Subparagraph (D) of section 42(g)(2) of the Internal Revenue Code of 1986 is amended—

(1) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii), (iii), and (iv)'',

(2) in clause (ii)—

(A) by striking ''If'' and inserting ''In the case of a project with respect to which the taxpayer elects the requirements of subparagraph (A) or (B) of paragraph (1), if'',

(B) by striking the second sentence, and

(C) by striking ''NEXT AVAILABLE UNIT MUST BE RENTED TO LOW-INCOME TENANT IF INCOME RISES ABOVE 140 PERCENT OF INCOME LIMIT'' in the heading and inserting ''RENTAL OF NEXT AVAILABLE UNIT IN CASE OF 20–50 OR 40–60 TEST'', and

(3) by adding at the end the following new clauses:

''(iii) RENTAL OF NEXT AVAILABLE UNIT IN CASE OF AVERAGE INCOME TEST.—In the case of a project with respect to which the taxpayer elects the requirements of subparagraph (C) of paragraph (1), if the income of the occupants of the unit increases above 140 percent of the greater of—

''(I) 60 percent of area median gross income, or

''(II) the imputed income limitation designated with respect to the unit under paragraph (1)(C)(ii)(I),

clause (i) shall cease to apply to any such unit if any residential rental unit in the building (of a size comparable to, or smaller than, such unit) is occupied by a new resident whose income exceeds the limitation described in clause (v).

''(iv) DEEP RENT SKEWED PROJECTS.—In the case of a project described in section 142(d)(4)(B), clause (ii) or (iii), whichever is applicable, shall be applied by substituting '170 percent' for '140 percent', and—

''(I) in the case of clause (ii), by substituting 'any low-income unit in the building is occupied by a new resident whose income exceeds 40 percent of area median gross income' for 'any residential rental unit' and all that follows in such clause, and

''(II) in the case of clause (iii), by substituting 'any low-income unit in the building is occupied by a new resident whose income exceeds the lesser of 40 percent of area median gross income or the imputed income limitation designated with respect to such unit under paragraph (1)(C)(ii)(I)' for 'any residential rental unit' and all that follows in such clause.

''(v) LIMITATION DESCRIBED.—For purposes of clause (iii), the limitation described in this clause with respect to any unit is—

''(I) the imputed income limitation designated with respect to such unit under paragraph (1)(C)(ii)(I), in the case of a unit which was taken into account as a low-income unit prior to becoming vacant, and

''(II) the imputed income limitation which would have to be designated with respect to such unit under such paragraph in order for the project to continue to meet the requirements of paragraph (1)(C)(ii)(II), in the case of any other unit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to elections made under section 42(g)(1) of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

SEC. 13923. UNIFORM INCOME ELIGIBILITY FOR RURAL PROJECTS.

(a) IN GENERAL.—Paragraph (8) of section 42(i) of the Internal Revenue Code of 1986 is amended by striking the second sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13924. CODIFICATION OF RULES RELATING TO INCREASED TENANT INCOME.

(a) IN GENERAL.—Clause (i) of section 42(g)(2)(D) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking ''clauses (ii), (iii), and (iv)'' and all that follows and inserting ''clauses (ii), (iii), (iv), and (vi), notwithstanding an increase in the income of the occupants above the income limitation applicable under paragraph (1)—

''(I) a low-income unit shall continue to be treated as a low-income unit if the income of such occupants initially was 60 percent or less of area median gross income and such unit continues to be rent-restricted, and

''(II) a unit to which, at the time of initial occupancy by such occupants, any Federal, State, or local government income restriction applied, and which subsequently becomes part of a building with respect to which rehabilitation expenditures are taken into account under subsection (e), shall be treated as a low-income unit if the income of such occupants initially was 60 percent or less of area median gross income and does not exceed 120 percent of area median gross income as of the date of acquisition of the property by the taxpayer.''.

(b) EXCEPTION.—Subparagraph (D) of section 42(g)(2) of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new clause:

''(vi) EXCEPTION TO RULE RELATING TO INCREASED TENANT INCOME.—In the case of an occupant of a low-income unit who initially qualified to occupy such unit by reason of paragraph (1)(C) with an income in excess of 60 percent of area median gross income but not in excess of 80 percent of area median gross income, clause (i) shall be applied for substituting '80 percent' for '60 percent' each place it appears.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 13925. MODIFICATION OF STUDENT OCCUPANCY RULES.

(a) IN GENERAL.—Subparagraph (D) of section 42(i)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(D) RULES RELATING TO STUDENTS.—

''(i) IN GENERAL.—A unit occupied solely by individuals who—

''(I) have not attained age 24, and

''(II) are enrolled in a full-time course of study at an institution of higher education (as defined in section 3304(f)),

shall not be treated as a low-income unit.

''(ii) EXCEPTION FOR CERTAIN FEDERAL PROGRAMS.—In the case of a federally assisted building (as defined in subsection (d)(6)(C)(i)), clause (i) shall not apply to a unit the occupants of which meet all requirements applicable under the housing program described in subsection (d)(6)(C)(i) through which the building is assisted, financed, or operated.

''(iii) OTHER EXCEPTIONS.—Clause (i) shall not apply to a unit occupied by an individual who—

''(I) is married,

''(II) is a person with disabilities (as defined in section 3(b)(3)(E) of the United States Housing Act of 1937),

''(III) is a veteran (as defined in section 101(2) of title 38, United States Code),

''(IV) has one or more qualifying children (as defined in section 152(c)), or

''(V) meets the income limitation applicable under subsection (g)(1) to the project of which the building is a part and is, or was immediately prior to attaining the age of majority—

''(aa) an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence,

''(bb) under the care and placement responsibility of the State agency responsible for administering a plan under part B or part E of title IV of the Social Security Act, or

''(cc) was an unaccompanied youth (within the meaning of section 725(6) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(6))) or a homeless child or youth (within the meaning of section 725(2) of such Act (42 U.S.C. 11434a(2))).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13926. TENANT VOUCHER PAYMENTS TAKEN INTO ACCOUNT AS RENT FOR CERTAIN PURPOSES.

(a) IN GENERAL.—Subparagraph (B) of section 42(g)(2) of the Internal Revenue Code of

1986 is amended by adding at the end the following new sentence: ''In the case of a project with respect to which the taxpayer elects the requirements of subparagraph (C) of paragraph (1), or the portion of a project to which subsection (d)(5)(C) applies, clause (i) shall not apply with respect to any tenant-based assistance (as defined in section 8(f)(7) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(7))).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to rent paid in taxable years beginning after December 31, 2017.

SEC. 13927. MINIMUM CREDIT RATE.

(a) IN GENERAL.—Subsection (b) of section 42 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating paragraph (3) as paragraph (4), and

(2) by inserting after paragraph (2) the following new paragraph:

''(3) MINIMUM CREDIT RATE.—In the case of any new or existing building to which paragraph (2) does not apply and which is placed in service by the taxpayer after December 31, 2016, the applicable percentage shall not be less than 4 percent.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2016.

SEC. 13928. RECONSTRUCTION OR REPLACEMENT PERIOD AFTER CASUALTY LOSS.

(a) IN GENERAL.—Subparagraph (E) of section 42(j)(4) of the Internal Revenue Code of 1986 is amended by striking ''a reasonable period established by the Secretary'' and inserting ''a reasonable period established by the applicable housing credit agency (not to exceed 25 months from the date on which the casualty loss arises). The determination under paragraph (1) shall not be made with respect to a property the basis of which is affected by a casualty loss until the period described in the preceding sentence with respect to such property has expired.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to casualty losses arising after the date of the enactment of this Act.

SEC. 13929. MODIFICATION OF RIGHTS RELATING TO BUILDING PURCHASE.

(a) IN GENERAL.—Subparagraph (A) of section 42(i)(7) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''a right of 1st refusal'' and inserting ''an option'', and

(2) by striking ''the property'' and inserting ''the property or a partnership interest relating to the property''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 42(i)(7) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''In the case of a purchase of a partnership interest, the minimum purchase price is an amount equal to such interest's ratable share of the amount determined under the first sentence of this subparagraph.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into or amended after the date of the enactment of this Act.

SEC. 13930. MODIFICATION OF 10-YEAR RULE; LIMITATION ON ACQUISITION BASIS.

(a) IN GENERAL.—Clause (ii) of section 42(d)(2)(B) of the Internal Revenue Code of 1986 is amended by inserting '', or the taxpayer elects the application of subparagraph (C)(ii)'' after ''service''.

(b) LIMITATION ON ACQUISITION BASIS.—Subparagraph (C) of section 42(d)(2) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''For purposes of subparagraph (A), the adjusted basis'' and inserting ''For purposes of subparagraph (A)—

''(i) IN GENERAL.—The adjusted basis'', and

(2) by adding at the end the following new clauses:

''(ii) BUILDINGS IN SERVICE WITHIN PREVIOUS 10 YEARS.—If the period between the date of acquisition of the building by the taxpayer and the date the building was last placed in service is less than 10 years, the taxpayer's basis attributable to the acquisition of the building which is taken into account in determining the adjusted basis shall not exceed the sum of—

''(I) the lowest amount paid for acquisition of the building by any person during the 10 years preceding the date of the acquisition of the building by the taxpayer, adjusted as provided in clause (iii), and

''(II) the value of any capital improvements made by the person who sells the building to the taxpayer which are reflected in such seller's basis.

''(iii) ADJUSTMENT.—With respect to a basis determination made in any taxable year, the amount described in clause (ii)(I) shall be increased by an amount equal to—

''(I) such amount, multiplied by

''(II) a cost-of-living adjustment, determined in the same manner as under section 1(f)(3) for the calendar year in which the taxable year begins by taking into account the acquisition year in lieu of calendar year 1992. For purposes of the preceding sentence, the acquisition year is the calendar year in which the lowest amount referenced in clause (ii)(I) was paid for the acquisition of the building.''.

(c) CONFORMING AMENDMENTS.—Clause (i) of section 42(d)(2)(D) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''FOR SUBPARAGRAPH (B)'' in the heading, and

(2) by striking ''subparagraph (B)(ii)'' in the matter preceding subclause (I) and inserting ''subparagraph (B)(ii) or (C)(ii)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2016.

SEC. 13931. CERTAIN RELOCATION COSTS TAKEN INTO ACCOUNT AS REHABILITATION EXPENDITURES.

(a) IN GENERAL.—Paragraph (2) of section 42(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) CERTAIN RELOCATION COSTS.—In the case of a rehabilitation of a building to which section 280B does not apply, costs relating to the relocation of occupants, including—

''(i) amounts paid to occupants,

''(ii) amounts paid to third parties for services relating to such relocation, and

''(iii) amounts paid for temporary housing for occupants,

shall be treated as chargeable to capital account and taken into account as rehabilitation expenditures.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2016.

SEC. 13932. REPEAL OF QUALIFIED CENSUS TRACT POPULATION CAP.

(a) IN GENERAL.—Clause (ii) of section 42(d)(5)(B) of the Internal Revenue Code of 1986 is amended—

(1) by striking subclauses (II) and (III), and

(2) by striking ''QUALIFIED CENSUS TRACT.—''(I) IN GENERAL.—The term'',

and inserting ''QUALIFIED CENSUS TRACT.—The term''.

(b) TECHNICAL CORRECTIONS.—Sections 42(d)(4)(C)(i) and 42(m)(1)(B)(ii)(III) of the Internal Revenue Code of 1986 are each amended by striking ''as defined in paragraph (5)(C)'' and inserting ''as defined in paragraph (5)(B)(ii)''.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to designations of qualified census tracts under section 42(d)(5)(B)(ii) of the Internal Revenue Code of 1986 after December 31, 2017.

SEC. 13933. DETERMINATION OF COMMUNITY REVITALIZATION PLAN TO BE MADE BY HOUSING CREDIT AGENCY.

(a) IN GENERAL.—Subclause (III) of section 42(m)(1)(B)(ii) of the Internal Revenue Code of 1986 is amended by inserting '', as determined by the housing credit agency according to criteria established by such agency,'' after ''(d)(5)(C)) and''.

(b) CRITERIA.—Paragraph (1) of section 42(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(E) CRITERIA FOR DETERMINATION RELATING TO CONCERTED COMMUNITY REVITALIZATION PLAN.—For purposes of subparagraph (B)(ii)(III), the criteria which shall be established by a housing credit agency for determining whether the development of a project contributes to a concerted community development plan shall take into account any factors the agency deems appropriate, including the extent to which the proposed plan—

''(i) is geographically specific,

''(ii) outlines a clear plan for implementation and goals for outcomes,

''(iii) includes a strategy for applying for or obtaining commitments of public or private investment (or both) in nonhousing infrastructure, amenities, or services, and

''(iv) demonstrates the need for community revitalization.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to allocations of housing credit dollar amounts made under qualified allocation plans (as defined in section 42(m)(1)(B) of the Internal Revenue Code of 1986) adopted after December 31, 2017.

SEC. 13934. PROHIBITION OF LOCAL APPROVAL AND CONTRIBUTION REQUIREMENTS.

(a) IN GENERAL.—Paragraph (1) of section 42(m) of the Internal Revenue Code of 1986, as amended by section 13933, is further amended—

(1) by striking clause (ii) of subparagraph (A) and by redesignating clauses (iii) and (iv) thereof as clauses (ii) and (iii), and

(2) by adding at the end the following new subparagraph:

''(F) LOCAL APPROVAL OR CONTRIBUTION NOT TAKEN INTO ACCOUNT.—The selection criteria under a qualified allocation plan shall not include consideration of—

''(i) any support or opposition with respect to the project from local or elected officials, or

''(ii) any local government contribution to the project, except to the extent such contribution is taken into account as part of a broader consideration of the project's ability to leverage outside funding sources, and is not prioritized over any other source of outside funding.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to allocations of housing credit dollar amounts made after December 31, 2017.

SEC. 13935. INCREASE IN CREDIT FOR CERTAIN PROJECTS DESIGNATED TO SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.

(a) IN GENERAL.—Paragraph (5) of section 42(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) INCREASE IN CREDIT FOR PROJECTS DESIGNATED TO SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.—In the case of any building—

''(i) 20 percent or more of the residential units in which are designated by the taxpayer for occupancy by households the aggregate household income of which does not exceed the greater of—

''(I) 30 percent of area median gross income, or

''(II) 100 percent of an amount equal to the Federal poverty line (within the meaning of section 36B(d)(3)), and

''(ii) which is designated by the housing credit agency as requiring the increase in credit under this subparagraph in order for such building to be financially feasible as part of a qualified low-income housing project,

subparagraph (B) shall not apply to the portion of such building which is comprised of such units, and the eligible basis of such portion of the building shall be 150 percent of such basis determined without regard to this subparagraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to buildings placed in service after December 31, 2016.

SEC. 13936. INCREASE IN CREDIT FOR BOND-FINANCED PROJECTS DESIGNATED BY STATE AGENCY.

(a) IN GENERAL.—Clause (v) of section 42(d)(5)(B) of the Internal Revenue Code of 1986 is amended by striking the second sentence.

(b) TECHNICAL AMENDMENT.—Clause (v) of section 42(d)(5)(B) of the Internal Revenue Code of 1986, as amended by subsection (a), is further amended—

(1) by striking ''STATE'' in the heading, and

(2) by striking ''State housing credit agency'' and inserting ''housing credit agency''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2016.

SEC. 13937. ELIMINATION OF BASIS REDUCTION FOR LOW-INCOME HOUSING PROPERTIES RECEIVING CERTAIN ENERGY BENEFITS.

(a) NEW ENERGY EFFICIENT HOME CREDIT.—Subsection (e) of section 45L of the Internal Revenue Code of 1986 is amended—

(1) by striking ''ADJUSTMENT.—For purposes'' and inserting ''ADJUSTMENT.—

''(1) IN GENERAL.—For purposes'', and

(2) by adding at the end the following new paragraph:

''(2) EXCEPTION FOR AFFORDABLE HOUSING PROPERTIES.—Paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.''.

(b) ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.—Subsection (e) of section 179D of the Internal Revenue Code of 1986 is amended—

(1) by striking ''REDUCTION.—For purposes'' and inserting ''REDUCTION.—

''(1) IN GENERAL.—For purposes'', and

(2) by adding at the end the following new paragraph:

''(2) EXCEPTION FOR AFFORDABLE HOUSING PROPERTIES.—Paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.''.

(c) ENERGY CREDIT.—Paragraph (3) of section 50(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''and'' at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(C) paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2016.

SEC. 13938. RESTRICTION OF PLANNED FORECLOSURES.

(a) IN GENERAL.—Subclause (I) of section 42(h)(6)(E)(i) of the Internal Revenue Code of 1986 is amended to read as follows:

''(I) on the 61st day after the taxpayer (or a successor in interest) provides notice to the housing credit agency that the building has been acquired by foreclosure (or instrument in lieu of foreclosure) and that the taxpayer intends the termination of such period, unless the housing credit agency determines that such acquisition is part of an arrangement with the taxpayer a purpose of which is to terminate such period, or''.

(b) CONFORMING AMENDMENT.—The second sentence of clause (i) of section 42(h)(6)(E) of the Internal Revenue Code of 1986 is amended by striking ''Subclause (II)'' and inserting ''Subclauses (I) and (II)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions by foreclosure (or instrument in lieu of foreclosure) after December 31, 2017.

SEC. 13939. INCREASE OF POPULATION CAP FOR DIFFICULT DEVELOPMENT AREAS.

(a) IN GENERAL.—Subclause (II) of section 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 is amended by striking ''20 percent'' and inserting ''30 percent''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to designations made under section 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 after December 31, 2017.

SEC. 13940. SELECTION CRITERIA UNDER QUALIFIED ALLOCATION PLANS.

(a) IN GENERAL.—Subparagraph (C) of section 42(m)(1) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of clause (ix), by striking the period at the end of clause (x) and inserting '', and'', and by adding at the end the following new clause:

''(xi) the affordable housing needs of individuals in the State who are members of Indian tribes (as defined in section 45A(c)(6)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to allocations of credits under section 42 of the Internal Revenue Code of 1986 made after December 31, 2017.

SEC. 13941. INCLUSION OF INDIAN AREAS AS DIFFICULT DEVELOPMENT AREAS FOR PURPOSES OF CERTAIN BUILDINGS.

(a) IN GENERAL.—Subclause (I) of section 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: '', and any Indian area''.

(b) INDIAN AREA.—Clause (iii) of section 42(d)(5)(B) of the Internal Revenue Code of 1986 is amended by redesignating subclause (II) as subclause (III) and by inserting after subclause (I) the following new subclause:

''(II) INDIAN AREA.—For purposes of subclause (I), the term 'Indian area' means any Indian area (as defined in section 4(11) of the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4103(11)).''.

(c) ELIGIBLE BUILDINGS.—Clause (iii) of section 42(d)(5)(B) of the Internal Revenue Code of 1986, as amended by subsection (b), is amended by adding at the end the following new subclause:

''(IV) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.—In the case of an area which is a difficult development area solely because it is an Indian area, a building shall not be treated as located in such area unless such building is assisted or financed under the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4101 et seq.) or the project sponsor is an Indian tribe (as defined in section 45A(c)(6)), a tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), or wholly owned or controlled by such an Indian tribe or tribally designated housing entity.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2017.

SEC. 13942. AFFORDABLE HOUSING TAX CREDIT.

(a) IN GENERAL.—The heading of section 42 of the Internal Revenue Code of 1986 is amended by striking ''**LOW-INCOME**'' and inserting ''**AFFORDABLE**''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 42 of the Internal Revenue Code of 1986 is amended by striking ''low-income'' and inserting ''affordable''.

(2) Paragraph (5) of section 38(b) of such Code is amended by striking ''low-income'' and inserting ''affordable''.

(3) The heading of subparagraph (D) of section 469(i)(3) of such Code is amended by striking ''LOW-INCOME'' and inserting ''AFFORDABLE''.

(4) The heading of subparagraph (B) of section 469(i)(6) of such Code is amended by striking ''LOW-INCOME'' and inserting ''AFFORDABLE''.

(5) Paragraph (7) of section 772(a) of such Code is amended by striking ''low-income'' and inserting ''affordable''.

(6) Paragraph (5) of section 772(d) of such Code is amended by striking ''low-income'' and inserting ''affordable''.

(c) CLERICAL AMENDMENT.—The item relating to section 42 in the table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended to read as follows:

''Sec. 42. Affordable housing credit.''.

CHAPTER 4—MANUFACTURING AND EDUCATION BONDS

SEC. 13951. MODIFICATIONS TO QUALIFIED SMALL ISSUE BONDS.

(a) MANUFACTURING FACILITIES TO INCLUDE PRODUCTION OF INTANGIBLE PROPERTY AND FUNCTIONALLY RELATED FACILITIES.—Section 144(a)(12)(C) of the Internal Revenue Code of 1986 is amended to read as follows:

''(C) MANUFACTURING FACILITY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'manufacturing facility' means any facility which—

''(I) is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property),

''(II) is used in the creation or production of intangible property which is described in section 197(d)(1)(C)(iii), or

''(III) is functionally related and subordinate to a facility described in subclause (I) or (II) if such facility is located on the same site as the facility described in subclause (I) or (II).

''(ii) CERTAIN FACILITIES INCLUDED.—The term 'manufacturing facility' includes facilities that are directly related and ancillary to a manufacturing facility (determined without regard to this clause) if—

''(I) those facilities are located on the same site as the manufacturing facility, and

''(II) not more than 25 percent of the net proceeds of the issue are used to provide those facilities.

''(iii) LIMITATION ON OFFICE SPACE.—A rule similar to the rule of section 142(b)(2) shall apply for purposes of clause (i).

''(iv) LIMITATION ON REFUNDINGS FOR CERTAIN PROPERTY.—Subclauses (II) and (III) of clause (i) shall not apply to any bond issued on or before the date of the enactment of the Tax Cuts and Jobs Act, or to any bond issued to refund a bond issued on or before such date (other than a bond to which clause (iii) of this subparagraph (as in effect before the date of the enactment of the Tax Cuts and Jobs Act applies)), either directly or in a series of refundings.''.

(b) INCREASE IN LIMITATIONS.—Section 144(a)(4) of such Code is amended—

(1) by striking ''$10,000,000'' in subparagraph (A)(i) and inserting ''$30,000,000'', and

(2) by striking ''$10,000,000'' in the heading and inserting ''$30,000,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 13952. EXPANSION OF QUALIFIED ZONE ACADEMY BONDS.

(a) CONSTRUCTION OF A PUBLIC SCHOOL FACILITY.—Subparagraph (A) of section 54E(d)(3) of the Internal Revenue Code of 1986 is amended by striking ''rehabilitating or repairing'' and inserting ''constructing, rehabilitating, retrofitting, or repairing''.

(b) REMOVAL OF PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—Section 54E of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)(3)—

(A) in subparagraph (A), by inserting ''and'' at the end;

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B);

(2) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(3) in paragraph (1) of subsection (b) (as so redesignated)—

(A) by striking ''and $400,000,0000'' and inserting ''$400,000,000''; and

(B) by striking ''and, except as provided'' and all that follows through the period at the end and inserting '', and $1,400,000,000 for 2018 and each year thereafter.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2017.

CHAPTER 5—REPEAL OF CERTAIN PROVISIONS

SEC. 13961. REHABILITATION CREDIT.

The amendments made by section 13402 of this Act shall be null and void.

SEC. 13962. LOW-INCOME HOUSING CREDIT.

The amendments made by subpart B of part V of this subtitle shall be null and void.

SEC. 13963. ADVANCE REFUNDING BONDS.

The amendments made by section 13532 of this Act shall be null and void.

SA 1749. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ENHANCED RESEARCH CREDIT FOR DOMESTIC MANUFACTURERS.

(a) IN GENERAL.—Section 41 is amended by adding at the end the following new subsection:

''(i) ENHANCED CREDIT FOR DOMESTIC MANUFACTURERS.—

''(1) IN GENERAL.—In the case of a qualified domestic manufacturer, this section shall be applied—

''(A) except as provided in subparagraph (B), by increasing the 20 percent amount in subsection (a)(1) by the bonus amount, and

''(B) in the case of a qualified domestic manufacturer making an election under subsection (c)(5)—

''(i) by increasing the 14 percent amount under subsection (c)(5)(A) by the alternative simplified bonus amount, and

''(ii) by increasing the 6 percent amount under subsection (c)(5)(B)(ii) by the subsection (c)(5)(B) bonus amount.

''(2) QUALIFIED DOMESTIC MANUFACTURER.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified domestic manufacturer' means a taxpayer who has domestic production gross receipts which are more than 50 percent of total gross receipts.

''(B) DOMESTIC PRODUCTION GROSS RECEIPTS.—The term 'domestic production gross receipts' has the meaning given to such term under section 199(c)(4).

''(3) BONUS AMOUNT; ALTERNATIVE SIMPLIFIED BONUS AMOUNT; SUBSECTION (c)(5)(B) AMOUNT.—For purposes of paragraph (1):

''If the percentage of total gross receipts which are domestic production gross receipts is:	The bonus amountis the following number of percentage points:	The alternative simplified bonus amount is the following number of percentage points:	The subsection (c)(5)(B) bonus amount is the following number of percentage points:
More than 50% but not more than 60%	1	0.7	0.3
More than 60% but not more than 70%	2	1.4	0.6
More than 70% but not more than 80%	3	2.1	0.9
More than 80% but not more than 90%	4	2.8	1.2
More than 90%	5	3.5	1.5.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2017, and ending before January 1, 2023.

SA 1750. Mr. DONNELLY submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ENDING OUTSOURCING.

(a) OUTSOURCING STATEMENT IN WORKER ADJUSTMENT AND RETRAINING NOTICE.—

(1) OUTSOURCING STATEMENT.—Section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102) is amended by adding at the end the following:

''(e) OUTSOURCING STATEMENT.—

''(1) IN GENERAL.—For purposes of subsection (a), the employer shall include an outsourcing statement in the notice described in that subsection. The outsourcing statement shall specify whether part or all of the positions held by affected employees covered by subsection (a) will be moved to a country outside the United States, regardless of whether the positions are moved within the business enterprise involved or to another business enterprise. The employer shall make the determination of whether the positions are being so moved in accordance with regulations issued by the Secretary. The employer shall serve the notice as required under subsection (a) and submit the notice to the Secretary of Labor.

''(2) LIST.—Not less often than annually, the Secretary shall publish and make available on the website of the Department of Labor, a list including each employer who—

''(A) has included an outsourcing statement in a notice under paragraph (1); or

''(B) has incurred liability under section 5, in part or in whole, because the employer ordered a plant closing or mass layoff without having served a notice that is required, under this section, to include an outsourcing statement.''.

(2) IMPLEMENTATION REPORT.—The Worker Adjustment and Retraining Notification Act is amended by inserting after section 10 (29 U.S.C. 2109) the following:

''SEC. 10A. IMPLEMENTATION STUDY.

''(a) STUDY.—The Comptroller General of the United States shall conduct a study of the implementation of section 3(e) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(e)) by the Department of Labor.

''(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the appropriate committees of Congress a report containing the results of the study.''.

(b) DENIAL OF DEDUCTION FOR OUTSOURCING EXPENSES.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 280I. OUTSOURCING EXPENSES.

''(a) IN GENERAL.—No deduction otherwise allowable under this chapter shall be allowed for any specified outsourcing expense.

''(b) SPECIFIED OUTSOURCING EXPENSE.—For purposes of this section—

''(1) IN GENERAL.—The term 'specified outsourcing expense' means—

''(A) any eligible expense paid or incurred by the taxpayer in connection with the elimination of any business unit of the taxpayer (or of any member of any expanded affiliated group in which the taxpayer is also a member) located within the United States, and

''(B) any eligible expense paid or incurred by the taxpayer in connection with the establishment of any business unit of the taxpayer (or of any member of any expanded affiliated group in which the taxpayer is also a member) located outside the United States,

if such establishment constitutes the relocation of the business unit so eliminated. For purposes of the preceding sentence, a relocation shall not be treated as failing to occur merely because such elimination occurs in a different taxable year than such establishment.

''(2) ELIGIBLE EXPENSES.—The term 'eligible expenses' means—

''(A) any amount for which a deduction is allowed to the taxpayer under section 162, and

''(B) permit and license fees, lease brokerage fees, equipment installation costs, and, to the extent provided by the Secretary, other similar expenses.

Such term does not include any compensation which is paid or incurred in connection with severance from employment and, to the extent provided by the Secretary, any similar amount.

''(3) BUSINESS UNIT.—The term 'business unit' means—

''(A) any trade or business, and

''(B) any line of business, or functional unit, which is part of any trade or business.

''(4) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined without regard to section 1504(b)(3) and by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears in section 1504(a). A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this paragraph).

''(5) OPERATING EXPENSES NOT TAKEN INTO ACCOUNT.—Any amount paid or incurred in connection with the ongoing operation of a business unit shall not be treated as an amount paid or incurred in connection with the establishment or elimination of such business unit.

''(c) SPECIAL RULES.—

''(1) APPLICATION TO DEDUCTIONS FOR DEPRECIATION AND AMORTIZATION.—In the case of any portion of a specified outsourcing expense which is not deductible in the taxable year in which paid or incurred, such portion shall neither be chargeable to capital account nor amortizable.

''(2) POSSESSIONS TREATED AS PART OF THE UNITED STATES.—For purposes of this section, the term 'United States' shall be treated as including each possession of the United States (including the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands).

''(d) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations which provide (or create a rebuttable presumption) that certain establishments of business units outside the United States will be treated as relocations (based on timing or such other factors as the Secretary may provide) of business units eliminated within the United States.''.

(2) LIMITATION ON SUBPART F INCOME OF CONTROLLED FOREIGN CORPORATIONS DETERMINED WITHOUT REGARD TO SPECIFIED OUTSOURCING EXPENSES.—Subsection (c) of section 952 is amended by adding at the end he following new paragraph:

''(4) EARNINGS AND PROFITS DETERMINED WITHOUT REGARD TO SPECIFIED OUTSOURCING EXPENSES.—For purposes of this subsection, earnings and profits of any controlled foreign corporation shall be determined without regard to any specified outsourcing expense (as defined in section 280I(b)).''.

(3) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 280I. Outsourcing expenses.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(c) DENIAL OF CERTAIN DEDUCTIONS AND ACCOUNTING METHODS FOR OUTSOURCING EMPLOYERS.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 is amended by adding at the end the following new section:

''SEC. 280J. LIMITATIONS FOR OUTSOURCING EMPLOYERS.

''(a) IN GENERAL.—During the disallowance period, an applicable taxpayer—

''(1) shall not be allowed any deduction under section 199 for any income of the taxpayer,

''(2) may not use the method provided in section 472(b) in inventorying goods,

''(3) may not use the lower of cost or market method of determining inventories for purposes of determining income, and

''(4) shall not be allowed any deduction under section 163 for interest paid or accrued on indebtedness.

''(b) APPLICABLE TAXPAYER.—For purposes of subsection (a), the term 'applicable taxpayer' means a taxpayer which—

''(1) during the taxable year, has served written notice under subsection (a) of section 3 of the Worker Adjustment and Retraining Notification Act which includes an outsourcing statement described in subsection (e) of such section, and

''(2) the cumulative employment loss (excluding any part-time employees) for positions at facilities owned by such taxpayer which will be moved to a country outside of the United States, as determined pursuant to any outsourcing statements served by such taxpayer during such taxable year, exceeds 50 employees.

''(c) DISALLOWANCE PERIOD.—For purposes of subsection (a), the disallowance period is the period of 3 taxable years after the taxable year in which the statements described in subsection (b)(2) are required to be served.

''(d) EXPANDED AFFILIATED GROUP TREATED AS SINGLE TAXPAYER.—For purposes of this section, the members of an expanded affiliated group (as defined in section 280I(b)(4)) shall be treated as a single taxpayer.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.''.

(2) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 280J. Limitations for outsourcing employers.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(d) RECAPTURE OF CREDITS FOR OUTSOURCING EMPLOYERS.—

(1) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by adding at the end the following new subpart:

''Subpart K—Recapture of Credits for Outsourcing Employers

''Sec. 54BB. Recapture of credits for outsourcing employers.

''SEC. 54BB. RECAPTURE OF CREDITS FOR OUTSOURCING EMPLOYERS.

''(a) IN GENERAL.—Pursuant to regulations prescribed by the Secretary, in the case of a taxpayer which owns a facility for which there is an outsourcing event during the taxable year, the tax under this chapter for such taxable year shall be increased by the amount equal to the sum of—

''(1) any credits allowed under this chapter relating to expenses for design, construction, operation, or maintenance of such facility during the 5 taxable years preceding such taxable year, and

''(2) any grants provided by the Secretary in lieu of credits described in paragraph (1) during the 5 taxable years preceding such taxable year.

''(b) OUTSOURCING EVENT.—For purposes of subsection (a), the term 'outsourcing event' means a plant closing or mass layoff (as described in section 2(a) of the Worker Adjustment and Retraining Notification Act) in which the employment loss (excluding any part-time employees) for positions which will be moved to a country outside of the United States, as determined pursuant to the outsourcing statement (as described in paragraph (1) of such section 3(e) of such Act) served by the taxpayer during the taxable year, exceeds 50 employees.

''(c) EXPANDED AFFILIATED GROUP TREATED AS SINGLE TAXPAYER.—For purposes of this section, the members of an expanded affiliated group (as defined in section 280I(b)(4)) shall be treated as a single taxpayer.''.

(2) CLERICAL AMENDMENT.—The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''SUBPART K. RECAPTURE OF CREDITS FOR OUTSOURCING EMPLOYERS''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

(e) CREDIT FOR INSOURCING EXPENSES.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 45S. CREDIT FOR INSOURCING EXPENSES.

''(a) IN GENERAL.—For purposes of section 38, the insourcing expenses credit for any taxable year is an amount equal to 20 percent of the eligible insourcing expenses of the taxpayer which are taken into account in such taxable year under subsection (d).

''(b) ELIGIBLE INSOURCING EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible insourcing expenses' means—

''(A) eligible expenses paid or incurred by the taxpayer in connection with the elimination of any business unit of the taxpayer (or of any member of any expanded affiliated group in which the taxpayer is also a member) located outside the United States, and

''(B) eligible expenses paid or incurred by the taxpayer in connection with the establishment of any business unit of the taxpayer (or of any member of any expanded affiliated group in which the taxpayer is also a member) located within—

''(i) a HUBZone (as defined in section 3(p)(2) of the Small Business Act (15 U.S.C. 632(p)(2))), or

''(ii) a low-income community (as described in section 45D(e)),

if such establishment constitutes the relocation of the business unit so eliminated. For purposes of the preceding sentence, a relocation shall not be treated as failing to occur merely because such elimination occurs in a different taxable year than such establishment.

''(2) ELIGIBLE EXPENSES.—The term 'eligible expenses' means—

''(A) any amount for which a deduction is allowed to the taxpayer under section 162, and

''(B) permit and license fees, lease brokerage fees, equipment installation costs, and, to the extent provided by the Secretary, other similar expenses.

Such term does not include any compensation which is paid or incurred in connection with severance from employment and, to the extent provided by the Secretary, any similar amount.

''(3) BUSINESS UNIT.—The term 'business unit' means—

''(A) any trade or business, and

''(B) any line of business, or functional unit, which is part of any trade or business.

''(4) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined without regard to section 1504(b)(3) and by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears in section 1504(a). A partnership or any other entity (other than a corporation) shall be treated as a member of an expanded affiliated group if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this paragraph).

''(5) EXPENSES MUST BE PURSUANT TO INSOURCING PLAN.—Amounts shall be taken into account under paragraph (1) only to the extent that such amounts are paid or incurred pursuant to a written plan to carry out the relocation described in paragraph (1).

''(6) OPERATING EXPENSES NOT TAKEN INTO ACCOUNT.—Any amount paid or incurred in connection with the on-going operation of a business unit shall not be treated as an amount paid or incurred in connection with the establishment or elimination of such business unit.

''(c) INCREASED DOMESTIC EMPLOYMENT REQUIREMENT.—No credit shall be allowed under this section unless the number of full-time equivalent employees of the taxpayer for the taxable year for which the credit is claimed exceeds the number of full-time equivalent employees of the taxpayer for the last taxable year ending before the first taxable year in which such eligible insourcing expenses were paid or incurred. For purposes of this subsection, full-time equivalent employees has the meaning given such term under section 45R(d) (and the applicable rules of section 45R(e)). All employers treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer for purposes of this subsection.

''(d) CREDIT ALLOWED UPON COMPLETION OF INSOURCING PLAN.—

''(1) IN GENERAL.—Except as provided in paragraph (2), eligible insourcing expenses shall be taken into account under subsection (a) in the taxable year during which the plan described in subsection (b)(5) has been completed and all eligible insourcing expenses pursuant to such plan have been paid or incurred.

''(2) ELECTION TO APPLY EMPLOYMENT TEST AND CLAIM CREDIT IN FIRST FULL TAXABLE YEAR AFTER COMPLETION OF PLAN.—If the taxpayer elects the application of this paragraph, eligible insourcing expenses shall be taken into account under subsection (a) in the first taxable year after the taxable year described in paragraph (1).

''(e) POSSESSIONS TREATED AS PART OF THE UNITED STATES.—For purposes of this section, the term 'United States' shall be treated as including each possession of the United States (including the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands).

''(f) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.''.

(2) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 is amended by striking ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following new paragraph:

''(37) the insourcing expenses credit determined under section 45S(a).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45S. Credit for insourcing expenses.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after the date of the enactment of this Act.

(5) APPLICATION TO UNITED STATES POSSESSIONS.—

(A) PAYMENTS TO POSSESSIONS.—

(i) MIRROR CODE POSSESSIONS.—The Secretary of the Treasury shall make periodic payments to each possession of the United States with a mirror code tax system in an amount equal to the loss to that possession by reason of section 45S of the Internal Revenue Code of 1986. Such amount shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(ii) OTHER POSSESSIONS.—The Secretary of the Treasury shall make annual payments to each possession of the United States which does not have a mirror code tax system in an amount estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of such possession by reason of section 45S of such Code if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply with respect to any possession of the United States unless such possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payment to the residents of such possession.

(B) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 45S of such Code to any person—

(i) to whom a credit is allowed against taxes imposed by the possession by reason of such section, or

(ii) who is eligible for a payment under a plan described in paragraph (1)(B).

(C) DEFINITIONS AND SPECIAL RULES.—

(i) POSSESSIONS OF THE UNITED STATES.—For purposes of this section, the term ''possession of the United States'' includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

(ii) MIRROR CODE TAX SYSTEM.—For purposes of this section, the term ''mirror code tax system'' means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

(iii) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from sections referred to in such section 1324(b)(2).

(f) AUTHORITY FOR FEDERAL CONTRACTING OFFICERS TO TAKE THE OUTSOURCING OF JOBS FROM THE UNITED STATES INTO ACCOUNT IN AWARDING CONTRACTS.—

(1) DEPARTMENT OF DEFENSE AND RELATED AGENCY CONTRACTS.—

(A) CONSIDERATION OF OUTSOURCING.—

(i) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2327 the following new section:

''§ 2327a. Contracts: consideration of outsourcing of jobs

''(a) DISCLOSURE OF OUTSOURCING OF JOBS.—

''(1) IN GENERAL.—The head of an agency shall require a contractor that submits a bid or proposal in response to a solicitation issued by the agency to disclose in that bid or proposal if the contractor, or a subsidiary of the contractor, owns a facility for which there is an outsourcing event during the three-year period ending on the date of the submittal of the bid or proposal.

''(2) OUTSOURCING EVENT.—For purposes of paragraph (1), the term 'outsourcing event' means a plant closing or mass layoff (as described in section 2(a) of the Worker Adjustment and Retraining Notification Act) in which the employment loss (excluding any part-time employees) for positions which will be moved to a country outside of the United States, as determined pursuant to the outsourcing statement (as described in paragraph (1) of such section 3(e) of such Act) served by the taxpayer during the taxable year, exceeds 50 employees.

''(b) CONSIDERATION AUTHORIZED.—(1) Agency contracting officers considering bids or proposals in response to a solicitation issued by the agency may take into account any disclosure made pursuant to subsection (a) in such bids and proposals.

''(2) The head of an agency may establish a negative preference of up to 10 percent of the cost of a contract for purposes of evaluating a bid or proposal of a contractor that makes a disclosure pursuant to subsection (a).

''(c) SENSE OF CONGRESS.—It is the sense of Congress that agency contracting officers should, using section 2304(b)(3) of this title, exclude contractors making a disclosure pursuant to subsection (a) in response to solicitations issued by the agency from the bidding process in connection with such solicitations on the grounds that the actions described in the disclosures are against the public interests of the United States.

''(d) ANNUAL REPORT.—The head of each agency shall submit to Congress each year a report on the following:

''(1) The number of solicitations made by the agency during the preceding year for which disclosures were made pursuant to subsection (a) in responsive bids or proposals.

''(2) The number of contracts awarded by the agency during the preceding year in which such disclosures were taken into account in the contract award.''.

(ii) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 137 of such title is amended by inserting after the item relating to section 2327 the following new item:

''2327a. Contracts: consideration of outsourcing of jobs.''.

(B) EXCLUSION OF FIRMS FROM SOURCES.—Section 2304(b) of such title is amended—

(i) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(ii) by inserting after paragraph (2) the following new paragraph:

''(3) The head of an agency may provide for the procurement of property and services covered by this chapter using competitive procedures but excluding a source making a disclosure pursuant to section 2327a(a) of this title in the bid or proposal in response to the solicitation issued by the agency if the head of the agency determines that the actions described by disclosure are against the public interests of the United States and the source is to be excluded on those grounds. Any such determination shall take into account the sense of Congress set forth in section 2327a(c) of this title.''; and

(iii) in paragraph (3), as so redesignated, by striking ''paragraphs (1) and (2)'' and inserting ''paragraphs (1), (2), and (3)''.

(2) OTHER FEDERAL CONTRACTS.—

(A) CONSIDERATION OF OUTSOURCING.—Chapter 35 of title 41, United States Code, is amended by inserting after section 3303 the following new section:

''§ 3303a. Bidders outsourcing jobs: disclosure of outsourcing; consideration of outsourcing in award; exclusion from sources

''(a) DISCLOSURE OF OUTSOURCING OF JOBS.—

''(1) IN GENERAL.—The head of an executive agency shall require a contractor that submits a bid or proposal in response to a solicitation issued by the executive agency to disclose in that bid or proposal if the contractor, or a subsidiary of the contractor, owns a facility for which there is an outsourcing event during the three-year period ending on the date of the submittal of the bid or proposal.

''(2) OUTSOURCING EVENT.—For purposes of paragraph (1), the term 'outsourcing event' means a plant closing or mass layoff (as described in section 2(a) of the Worker Adjustment and Retraining Notification Act) in which the employment loss (excluding any part-time employees) for positions which will be moved to a country outside of the United States, as determined pursuant to the outsourcing statement (as described in paragraph (1) of such section 3(e) of such Act) served by the taxpayer during the taxable year, exceeds 50 employees.

''(b) CONSIDERATION AUTHORIZED.—(1) Contracting officers of an executive agency considering bids or proposals in response to a solicitation issued by the executive agency may take into account any disclosure made pursuant to subsection (a) in such bids and proposals.

''(2) The head of an executive agency may establish a negative preference of up to 10 percent of the cost of a contract for purposes of evaluating a bid or proposal of a contractor that makes a disclosure pursuant to subsection (a).

''(c) EXCLUSION FROM SOURCES.—

''(1) IN GENERAL.—The head of an executive agency may provide for the procurement of property and services using competitive procedures but excluding a source making a disclosure under subsection (a) in the bid or proposal in response to the solicitation issued by the executive agency if the head of the executive agency determines that the actions described by disclosure are against the public interests of the United States and the source is to be excluded on those grounds. Any such determination shall take into account the sense of Congress set forth in paragraph (2).

''(2) SENSE OF CONGRESS.—It is the sense of Congress that contracting officers of executive agencies may use paragraph (1) to exclude contractors making a disclosure pursuant to subsection (a) in response to a solicitation issued by the executive agency from the bidding process in connection with the solicitation on the grounds that the actions described by the disclosure are against the public interests of the United States.

''(d) ANNUAL REPORT.—The head of each executive agency shall submit to Congress each year a report on the following:

''(1) The number of solicitations made by the executive agency during the preceding year for which disclosures were made pursuant to subsection (a) in responsive bids or proposals.

''(2) The number of contracts awarded to contractors that disclosed having outsourced more than 50 jobs during the preceding three years.''.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 35 of such title is amended by inserting after the item relating to section 3303 the following new item:

''3303a. Bidders outsourcing jobs: disclosure of outsourcing; consideration of outsourcing in award; exclusion from sources.''.

(C) CONFORMING AMENDMENT.—Section 3301(a) of such title is amended by inserting ''3303a(c),'' after ''3303,''.

(3) REGULATIONS.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council, in consultation with the heads of relevant agencies, shall amend the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement to carry out the requirements of section 3303a of title 41, United States Code, and section 2327a of title 10, United States Code, as added by this section.

(B) DEFINITION OF OUTSOURCING.—For purposes of defining outsourcing pursuant to paragraph (1), the Federal Acquisition Regulatory Council may utilize regulations prescribed by the Secretary of Labor.

(4) RULE OF CONSTRUCTION.—This subsection, and the amendments made by this subsection, shall be applied in a manner consistent with United States obligations under international agreements.

SA 1751. Mr. ISAKSON (for himself and Mr. PERDUE) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 401, after line 24, insert the following:

''(G) TRANSITION RULE FOR CERTAIN ACQUISITION CASH.—

''(i) IN GENERAL.—In determining the aggregate foreign cash position of a United States shareholder for any taxable year for purposes of applying subparagraph (A)(ii), there shall not be taken into account any amount described in subparagraph (B) which was used by a specified foreign corporation to purchase during the period beginning on January 1, 2016, and ending November 9, 2017, stock or assets constituting substantially all of the assets of a trade or business from a person which was not a related person (as defined in section 954(d)(3)) with respect to the corporation.

''(ii) EXCEPTION FOR SUBSEQUENT CASH RESALE.—Clause (i) shall not apply if, during the 5-year period beginning on November 10, 2017, the specified foreign corporation sells the acquired stock or substantially all of the acquired assets for amounts described in subparagraph (B) to a person which is not a related person (as defined in section 954(d)(3)) with respect to the corporation.

SA 1752. Mr. ISAKSON (for himself and Mr. PERDUE) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 399, line 18, strike ''the specified foreign corporation'' and insert ''a specified foreign corporation''.

SA 1753. Mr. JOHNSON submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part V of subtitle A of title I, insert the following:

SEC. 11052. ADJUSTMENT OF CORPORATE TAX RATE AND RATE OF DEDUCTION FOR PASS-THRU ENTITIES.

(a) ADJUSTMENT OF CORPORATE TAX RATE.—

(1) INCREASE IN RATE.—Subsection (b) of section 11, as amended by section 13001 of this Act, is amended by striking ''20 percent'' and inserting ''22 percent''.

(2) ADVANCED APPLICATION OF REDUCED CORPORATE TAX RATE.—

(A) Section 13001(c) of this Act is amended by striking ''December 31, 2018'' each place it appears and inserting ''December 31, 2017''.

(B) Section 13002(f) of this Act is amended by striking ''December 31, 2018'' each place it appears and inserting ''December 31, 2017''.

(b) INCREASE IN RATE FOR DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES.—

(1) IN GENERAL.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) in paragraph (2) of subsection (a), by striking ''17.4 percent'' and inserting ''the applicable percentage (as determined under subsection (g))'', and

(B) in paragraphs (1)(B) and (2)(A) of subsection (b), by striking ''17.4 percent'' each place it appears and inserting ''the applicable percentage (as determined under subsection (g))''.

(2) APPLICABLE PERCENTAGE.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) by redesignating subsection (g) as subsection (h), and

(B) by inserting after subsection (f) the following new subsection:

''(g) APPLICABLE PERCENTAGE.—

''(1) IN GENERAL.—For purposes of this section, the applicable percentage shall be equal to the sum of 17.4 percent plus the additional percentage (as determined under paragraph (2)).

''(2) ADDITIONAL PERCENTAGE.—The additional percentage shall be the amount (expressed as a percentage) which is determined by the Secretary to permit an increase in the deduction allowed under this section in an amount equal to the increase in revenue resulting from the amendments made by subsection (a) of section 11052 of the Tax Cuts and Jobs Act.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1754. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11042 and insert the following:

SEC. 11042. MODIFICATION OF DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) IN GENERAL.—

(1) INDIVIDUALS AND CORPORATIONS.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

''(6) MODIFICATION OF DEDUCTIONS FOR CERTAIN TAXABLE YEARS.—

''(A) INDIVIDUALS.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(i) paragraphs (1) and (2) of subsection (a) shall not apply to any real property or personal property taxes, other than taxes which

are paid or accrued in carrying on a trade or business or an activity described in section 212, and

''(ii) subsection (a)(3) shall not apply to any State or local taxes.

''(B) CORPORATIONS.—In the case of a corporation and a taxable year beginning after December 31, 2019—

''(i) subsection (a)(3) shall not apply to any State or local taxes, and

''(ii) the second sentence of subsection (a) shall not apply.''.

(2) TRADE OR BUSINESS EXPENSE.—Section 162, as amended by sections 13307, 13308, and 13531 of this Act, is amended by redesignating subsection (t) as subsection (u) and by inserting after subsection (s) the following new subsection:

''(t) ELIMINATION OF DEDUCTION FOR STATE AND LOCAL TAXES.—In the case of a corporation and a taxable year beginning after December 31, 2019, no deduction otherwise allowable under this section shall be allowed for any State or local income, war profits, and excess profits taxes (as described in section 164(a)(3)).''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(b) INCREASE IN RATE FOR DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES.—

(1) IN GENERAL.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) in paragraph (2) of subsection (a), by striking ''17.4 percent'' and inserting ''22.4 percent'', and

(B) in paragraphs (1)(B) and (2)(A) of subsection (b), by striking ''17.4 percent'' each place it appears and inserting ''22.4 percent''.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(c) TAXPAYER REFUND PROGRAM.—

(1) IN GENERAL.—The Secretary of the Treasury shall implement a program under which taxpayers who have paid a penalty under section 5000A of the Internal Revenue Code of 1986 for any taxable year beginning after December 31, 2013, and before January 1, 2016, receive 1 payment in refund of all such penalties paid, without regard to whether or not an amended return is filed. Such payment shall be made not later than April 15, 2018.

(2) WAIVER OF STATUTE OF LIMITATIONS.—Solely for purposes of claiming the refund under paragraph (1), the period prescribed by section 6511(a) of the Internal Revenue Code of 1986 with respect to any payment of a penalty under section 5000A shall be extended until the date prescribed by law (including extensions) for filing the return of tax for the taxable year that includes December 31, 2017.

(d) CHILD TAX CREDIT FOR PREGNANT WOMEN.—

(1) IN GENERAL.—Subsection (h) of section 24, as added by section 11022 of this Act, is amended by striking paragraphs (4) through (8) and inserting the following:

''(4) PARTIAL CREDIT ALLOWED FOR CERTAIN OTHER DEPENDENTS.—

''(A) IN GENERAL.—The credit determined under subsection (a) (after the application of paragraph (2)) shall be increased by $500 for each dependent of the taxpayer (as defined in section 152) other than a qualifying child described in subsection (c).

''(B) EXCEPTION FOR CERTAIN NONCITIZENS.—Subparagraph (A) shall not apply with respect to any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(5) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—

''(A) IN GENERAL.—Subsection (d)(1)(A) shall be applied without regard to paragraphs (2) and (5) of this subsection.

''(B) ADJUSTMENT FOR INFLATION.—In the case of a taxable year beginning after 2017, subsection (d)(1)(A) shall be applied as if the $1,000 amount in subsection (a) were increased (but not to exceed the amount under paragraph (2) of this subsection) by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins.

Any increase determined under the preceding sentence shall be rounded to the next highest multiple of $100.

''(6) EARNED INCOME THRESHOLD FOR REFUNDABLE CREDIT.—Subsection (d)(1)(B)(i) shall be applied by substituting '$2,500' for '$3,000'.

''(7) SOCIAL SECURITY NUMBER REQUIRED.—No credit shall be allowed under subsection (d) to a taxpayer with respect to any qualifying child unless the taxpayer includes the social security number of such child on the return of tax for the taxable year. For purposes of the preceding sentence, the term 'social security number' means a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued to a citizen of the United States or is issued pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act.

''(8) CREDIT ALLOWED WITH RESPECT TO UNBORN CHILDREN.—

''(A) IN GENERAL.—The term 'qualifying child' includes an unborn child (as defined in section 1841(d) of title 18, United States Code) for any such taxable year if such child is born and issued a social security number (as defined in subsection (h)(7)) before the due date for the return of tax (without regard to extensions) for the taxable year.

''(B) DOUBLE CREDIT IN CASE OF CHILDREN UNABLE TO CLAIM CREDIT.—In the case of any child born during a taxable year described in paragraph (1) who is not taken into account under subparagraph (A) for the taxable year immediately preceding the taxable year in which the child is born, the amount of the credit determined under this section with respect to such child for the taxable year of the child's birth shall be increased by 100 percent.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the amendments made by section 11022 of this Act.

SA 1755. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11042 and insert the following:

SEC. 11042. MODIFICATION OF DEDUCTION FOR STATE AND LOCAL, ETC. TAXES.

(a) IN GENERAL.—

(1) INDIVIDUALS AND CORPORATIONS.—Subsection (b) of section 164 is amended by adding at the end the following new paragraph:

''(6) MODIFICATION OF DEDUCTIONS FOR CERTAIN TAXABLE YEARS.—

''(A) INDIVIDUALS.—In the case of an individual and a taxable year beginning after December 31, 2017, and before January 1, 2026—

''(i) paragraphs (1) and (2) of subsection (a) shall not apply to any real property or personal property taxes, other than taxes which are paid or accrued in carrying on a trade or business or an activity described in section 212, and

''(ii) subsection (a)(3) shall not apply to any State or local taxes.

''(B) CORPORATIONS.—In the case of a corporation and a taxable year beginning after December 31, 2019—

''(i) subsection (a)(3) shall not apply to any State or local taxes, and

''(ii) the second sentence of subsection (a) shall not apply.''.

(2) TRADE OR BUSINESS EXPENSE.—Section 162, as amended by sections 13307, 13308, and 13531 of this Act, is amended by redesignating subsection (t) as subsection (u) and by inserting after subsection (s) the following new subsection:

''(t) ELIMINATION OF DEDUCTION FOR STATE AND LOCAL TAXES.—In the case of a corporation and a taxable year beginning after December 31, 2019, no deduction otherwise allowable under this section shall be allowed for any State or local income, war profits, and excess profits taxes (as described in section 164(a)(3)).''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(b) INCREASE IN RATE FOR DEDUCTION FOR QUALIFIED BUSINESS INCOME OF PASS-THRU ENTITIES.—

(1) IN GENERAL.—Section 199A of the Internal Revenue Code of 1986, as added by section 11011 of this Act, is amended—

(A) in paragraph (2) of subsection (a), by striking ''17.4 percent'' and inserting ''22.4 percent'', and

(B) in paragraphs (1)(B) and (2)(A) of subsection (b), by striking ''17.4 percent'' each place it appears and inserting ''22.4 percent''.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

(c) EXTENSION OF 100 PERCENT EXPENSING.—

(1) IN GENERAL.—Section 168(k), as amended by section 13201 of this Act, is amended—

(A) in the heading, by striking ''JANUARY 1, 2023'' and inserting ''JANUARY 1, 2024'',

(B) in paragraph (2)—

(i) in subparagraph (A)(iii), clauses (i)(III) and (ii) of subparagraph (B), and subparagraph (E)(i), by striking ''January 1, 2023'' each place it appears and inserting ''January 1, 2024'', and

(ii) in subparagraph (B)—

(I) in clause (i)(II), by striking ''January 1, 2024'' and inserting ''January 1, 2025'', and

(II) in the heading of clause (ii), by striking ''PRE-JANUARY 1, 2023'' and inserting ''PRE-JANUARY 1, 2024'', and

(C) in paragraph (5)(A), by striking ''January 1, 2023'' and inserting ''January 1, 2024''.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 460(c)(6)(B) is amended by striking ''January 1, 2023 (January 1, 2024'' and inserting ''January 1, 2024 (January 1, 2024''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall take effect as if included in the amendments made by section 13201 of this Act.

SA 1756. Mr. CASSIDY (for himself, Mr. CORNYN, Mr. ROBERTS, and Mr. HELLER) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of subpart C of part I of subtitle D, insert the following:

SEC. 14305. ELECTION TO INCREASE PERCENTAGE OF DOMESTIC TAXABLE INCOME OFFSET BY OVERALL DOMESTIC LOSS TREATED AS FOREIGN SOURCE.

(a) IN GENERAL.—Section 904(g) is amended by adding at the end the following new paragraph:

''(5) ELECTION TO INCREASE PERCENTAGE OF TAXABLE INCOME TREATED AS FOREIGN SOURCE.—

''(A) IN GENERAL.—If any pre-2018 unused overall domestic loss is taken into account under paragraph (1) for any applicable taxable year, the taxpayer may elect to have such paragraph applied to such loss by substituting a percentage greater than 50 percent (but not greater than 100 percent) for 50 percent in subparagraph (B) thereof.

''(B) PRE-2018 UNUSED OVERALL DOMESTIC LOSS.—For purposes of this paragraph, the term 'pre-2018 unused overall domestic loss' means any overall domestic loss which—

''(i) arises in a qualified taxable year beginning before January 1, 2018, and

''(ii) has not been used under paragraph (1) for any taxable year beginning before such date.

''(C) APPLICABLE TAXABLE YEAR.—For purposes of this paragraph, the term 'applicable taxable year' means any taxable year of the taxpayer beginning after December 31, 2017, and before January 1, 2028.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SA 1757. Mr. CASSIDY (for himself and Mr. ROBERTS) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 421, strike lines 15 through 21 and insert the following:

''(o) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section or to prevent the avoidance of the purposes of this section, including through a reduction in earnings and profits through changes in entity classification, changes in accounting methods, or otherwise.

''(p) INCLUSION OF DEFERRED FOREIGN INCOME UNDER THIS SECTION NOT TO TRIGGER RECAPTURE OF OVERALL FOREIGN LOSS.—For purposes of sections 904(f)(1) and 907(c)(4), in the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder's taxable income from sources without the United States and combined foreign oil and gas income shall be determined without regard to this section.''.

SA 1758. Mr. CASSIDY (for himself and Mr. ROBERTS) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 485, strike line 16 and all that follows through page 486, line 4, and insert the following:

''(4) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO CERTAIN SERVICES.—Paragraph (1) shall not apply to any amount paid or accrued by a taxpayer for services if—

''(A)(i) such services are services which meet the requirements for eligibility for use of the services cost method under section 482 (determined without regard to the requirement that the services not contribute significantly to fundamental risks of business success or failure), and

''(ii) such amount constitutes the total services cost with no markup, or

''(B) such services consist of the transmission of communications or data over network assets outside the United States.

SA 1759. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 425, strike lines 17 through 19 and insert the following:

''(V) any combined foreign oil and gas income (as defined in section 907(b)(1)) of such corporation, over

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SA 1760. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 223, strike lines 11 through 20, and insert the following:

(B) with respect to which the 24-month period selected by the taxpayer under clause (i) of section 47(c)(1)(B) of the Internal Revenue Code (as amended by subsection (b)), or the 60-month period applicable under clause (ii) of such section, begins not later than 180 days after the date of the enactment of this Act,

the amendments made by this section shall apply to such expenditures paid or incurred after the end of the taxable year in which the 24-month period, or the 60-month period, referred to in subparagraph (B) ends.

SA 1761. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. ____. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Section 7652(f)(1) is amended by striking ''January 1, 2017'' and inserting ''January 1, 2023''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2016.

SA 1762. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 14224.

SA 1763. Mr. PAUL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 398, strike line 5 and all that follows through page 401, line 19 and insert the following:

''(2) AGGREGATE FOREIGN CASH POSITION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'aggregate foreign cash position' means—

''(i) with respect to any United States shareholder, the sum of each specified foreign corporation's net cash position, determined as of the close of the last taxable year of such specified foreign corporation which begins before January 1, 2018, or

''(ii) one half of the sum of—

''(I) the aggregate described in clause (i) determined as of the close of the last taxable year of each such specified foreign corporation which ends before November 9, 2017, plus

''(II) the aggregate described in clause (i) determined as of the close of the taxable year of each such specified foreign corporation which precedes the taxable year referred to in subclause (I).

''(B) GROSS CASH POSITION.—For purposes of this paragraph, the cash position of any specified foreign corporation is the sum of—

''(i) cash and foreign currency held by such foreign corporation,

''(ii) the gross accounts receivable of such foreign corporation, plus

''(iii) the fair market value of the following assets held by such corporation:

''(I) Personal property which is of a type that is actively traded and for which there is an established financial market (other than stock in the specified foreign corporation).

''(II) Commercial paper, certificates of deposit, the securities of the Federal government and of any State or foreign government.

''(III) Any obligation with a term of less than one year.

''(IV) Any asset which the Secretary identifies as being economically equivalent to any asset described in this subparagraph.

''(C) NET CASH POSITION.—For purposes of this paragraph, the net cash position of a specified foreign corporation is the sum of such corporation's gross cash position and its gross short cash position.

''(D) GROSS SHORT CASH POSITION.—For purposes of this paragraph, the gross short cash position of a specified foreign corporation is the sum of—

''(i) the gross accounts payable of such corporation,

''(ii) the gross obligations owed by such corporation with a term of less than 1 year, and

''(iii) gross liabilities of such corporation which consist of actively traded personal property for which there is an established securities market.

''(E) PREVENTION OF DOUBLE COUNTING.—Cash positions of a specified foreign corporation described in clause (ii) or (iii)(III) of subparagraph (B) shall not be taken into account by a United States shareholder under subparagraph (A) to the extent that such United States shareholder demonstrates to the satisfaction of the Secretary that such amount is so taken into account by such United States shareholder with respect to another specified foreign corporation.

''(F) CASH POSITIONS OF CERTAIN NON-CORPORATE ENTITIES TAKEN INTO ACCOUNT.—An entity shall be treated as a specified foreign corporation of a United States shareholder for purposes of determining such United States shareholder's aggregate foreign cash position if—

''(i) such entity is a foreign entity which would be a specified foreign corporation of such United States shareholder if such entity were a corporation, or

''(ii) any interest in such entity is held by a specified foreign corporation of such United States shareholder (determined after application of clause (i)) and such entity would be a specified foreign corporation of such United States shareholder if such entity were a foreign corporation.

''(G) ANTI-ABUSE.—If the Secretary deter-

SA 1764. Mr. ISAKSON submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 13221, add the following:

(e) SPECIAL RULES FOR ORIGINAL ISSUE DISCOUNT.—Notwithstanding subsection (c), in the case of income from a debt instrument having original issue discount—

(1) the amendments made by this section shall apply to taxable years beginning after December 31, 2018, and

(2) the period for taking into account any adjustments under section 481 by reason of a qualified change in method of accounting (as defined in subsection (d)) shall be 6 years.

SA 1765. Mr. ISAKSON (for himself and Mr. PERDUE) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 309, strike line 18 and all that follows through page 310, line 4 and insert the following:

SEC. 13704. TAX-EXEMPT STATUS FOR PROFESSIONAL SPORTS LEAGUES.

(a) IN GENERAL.—Paragraph (6) of section 501(c) is amended by striking ''professional football leagues (whether or not administering a pension fund for football players)'' and inserting ''professional sports leagues whose members all have an independent contractor relationship with the league (whether or not administering a pension fund for athletes)''.

SA 1766. Mr. GRAHAM submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 449, strike lines 16 through 19 and insert the following:

(a) IN GENERAL.—Section 958(b)(4) is amended by striking ''Subparagraph'' and inserting ''With respect to industries classified under North American Industry Classification System codes US326 or US336 only, subparagraph''.

SA 1767. Mr. GRAHAM submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 487, between lines 20 and 21, insert the following:

''(4) EXCEPTION.—The term 'applicable taxpayer' does not include any corporation classified under North American Industry Classification System codes US326 or US336.''.

SA 1768. Mr. NELSON (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. NONAPPLICATION TO PUERTO RICO.

This Act, including any amendments made by this Act (except for the amendments made in section 13823), shall be null and void and have no effect with respect to income derived from sources within Puerto Rico until all bona fide residents of Puerto Rico (as defined for purposes of section 933 of the Internal Revenue Code of 1986) are treated in the same manner as residents of the 50 States for purposes of such Code.

SA 1769. Mr. NELSON submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. THREE PERCENT RATE FOR PORTABLE, ELECTRONICALLY-AERATED BAIT CONTAINERS.

(a) IN GENERAL.—Section 4161(a) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) 3 PERCENT RATE FOR PORTABLE, ELECTRONICALLY-AERATED BAIT CONTAINERS.—In the case of portable, electronically-aerated bait containers, paragraph (1) shall be applied by substituting '3 percent' for '10 percent'.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to articles sold by the manufacturer, producer, or importer after December 31, 2017.

SA 1770. Mr. NELSON submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

Subtitle F—Identity Theft and Tax Fraud Prevention

SEC. 16001. SHORT TITLE; DEFINITION.

(a) SHORT TITLE.—This subtitle may be cited as the ''Identity Theft and Tax Fraud Prevention Act of 2017''.

(b) SECRETARY.—In this subtitle, the term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

PART I—IDENTITY THEFT AND TAX REFUND FRAUD PREVENTION

Subpart A—General Provisions

SEC. 16101. GUIDELINES FOR STOLEN IDENTITY REFUND FRAUD CASES.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary, in consultation with the National Taxpayer Advocate, shall develop and implement publicly available guidelines for management of cases involving stolen identity refund fraud in a manner that reduces the administrative burden on taxpayers who are victims of such fraud.

(b) STANDARDS AND PROCEDURES TO BE CONSIDERED.—The guidelines described in subsection (a) may include—

(1) standards for—

(A) the average length of time in which a case involving stolen identity refund fraud should be resolved,

(B) the maximum length of time, on average, a taxpayer who is a victim of stolen identity refund fraud and is entitled to a tax refund which has been stolen should have to wait to receive such refund, and

(C) the maximum number of offices and employees within the Internal Revenue Service with whom a taxpayer who is a victim of stolen identity refund fraud should be required to interact in order to resolve a case,

(2) standards for opening, assigning, reassigning, or closing a case involving stolen identity refund fraud, and

(3) procedures for implementing and accomplishing the standards described in paragraphs (1) and (2), and measures for evaluating such procedures and determining whether such standards have been successfully implemented.

SEC. 16102. CRIMINAL PENALTY FOR MISAPPROPRIATING TAXPAYER IDENTITY IN CONNECTION WITH TAX FRAUD.

(a) IN GENERAL.—Section 7206 is amended—

(1) by striking ''Any person'' and inserting the following:

''(a) IN GENERAL.—Any person'', and

(2) by adding at the end the following new subsection:

''(b) MISAPPROPRIATION OF IDENTITY.—Any person who willfully misappropriates another person's taxpayer identity (as defined in section 6103(b)(6)) for the purpose of making any list, return, account, statement, or other document submitted to the Secretary under the provisions of this title shall be guilty of a felony and, upon conviction thereof, shall be fined not more than $250,000 ($500,000 in the case of a corporation) or imprisoned not more than 5 years, or both, together with the costs of prosecution.''.

(b) IDENTITY PROTECTION PERSONAL IDENTIFICATION NUMBER.—Section 6109 is amended by inserting after subsection (d) the following new subsection:

''(e) IDENTITY PROTECTION PERSONAL IDENTIFICATION NUMBER.—

''(1) IN GENERAL.—For purposes of this section, the term 'identifying number' shall include an identity protection personal identification number, as defined in paragraph (2).

''(2) DEFINITION.—The term 'identity protection personal identification number' means a number assigned by the Secretary to a taxpayer to help prevent the misuse of the social security account number of the taxpayer on fraudulent Federal income tax returns and to assist the Secretary in verifying a taxpayer's identity.''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to offenses committed on or after the date of the enactment of this Act.

SEC. 16103. INCREASED PENALTY FOR IMPROPER DISCLOSURE OR USE OF INFORMATION BY PREPARERS OF RETURNS.

(a) IN GENERAL.—Section 6713 is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(2) by inserting after subsection (a) the following new subsection:

''(b) ENHANCED PENALTY FOR IMPROPER USE OR DISCLOSURE RELATING TO IDENTITY THEFT.—

''(1) IN GENERAL.—In the case of a disclosure or use described in subsection (a) that is made in connection with a crime relating to the misappropriation of another person's taxpayer identity (as defined in section

6103(b)(6)), whether or not such crime involves any tax filing, subsection (a) shall be applied—

''(A) by substituting '$1,000' for '$250', and

''(B) by substituting '$50,000' for '$10,000'.

''(2) SEPARATE APPLICATION OF TOTAL PENALTY LIMITATION.—The limitation on the total amount of the penalty under subsection (a) shall be applied separately with respect to disclosures or uses to which this subsection applies and to which it does not apply.''.

(b) CRIMINAL PENALTY.—Section 7216(a) is amended by striking ''$1,000'' and inserting ''$1,000 ($100,000 in the case of a disclosure or use to which section 6713(b) applies)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures or uses on or after the date of the enactment of this Act.

SEC. 16104. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

(a) IN GENERAL.—Chapter 77 is amended by adding at the end the following new section:

''SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

''If the Secretary determines that there has been or may have been an unauthorized use of the identity of any individual, the Secretary shall, without jeopardizing an investigation relating to tax administration—

''(1) as soon as practicable, notify the individual of such determination and provide—

''(A) instructions on how to file a report with law enforcement regarding the unauthorized use of the identity of the individual,

''(B) the identification of any forms necessary for the individual to complete and submit to law enforcement to permit access to personal information of the individual during the investigation,

''(C) information regarding actions the individual may take in order to protect the individual from harm relating to such unauthorized use, and

''(D) an offer of identity protection measures to be provided to the individual by the Internal Revenue Service, such as the use of an identity protection personal identification number (as defined in section 6109(e)), and

''(2) at the time the information described in paragraph (1) is provided (or, if not available at such time, as soon as practicable thereafter), issue additional notifications to such individual (or such individual's designee) regarding—

''(A) whether an investigation has been initiated in regards to such unauthorized use,

''(B) whether the investigation substantiated an unauthorized use of the identity of the individual, and

''(C) whether—

''(i) any action has been taken against a person relating to such unauthorized use, or

''(ii) any referral has been made for criminal prosecution of such person and, to the extent such information is available, whether such person has been criminally charged by indictment or information.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7529. Notification of suspected identity theft.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations made after the date of the enactment of this Act.

SEC. 16105. LOCAL LAW ENFORCEMENT LIAISON.

(a) ESTABLISHMENT.—The Commissioner of Internal Revenue shall establish within the Criminal Investigation Division of the Internal Revenue Service the position of Local Law Enforcement Liaison.

(b) DUTIES.—The Local Law Enforcement Liaison shall serve as the primary source of contact for State and local law enforcement authorities with respect to tax-related identity theft and other tax fraud matters, having duties that shall include—

(1) receiving information from State and local law enforcement authorities,

(2) responding to inquiries from State and local law enforcement authorities,

(3) administering authorized information-sharing initiatives with State or local law enforcement authorities and reviewing the performance of such initiatives,

(4) ensuring any information provided through authorized information-sharing initiatives with State or local law enforcement authorities is used only for the prosecution of identity theft-related crimes and not redisclosed to third parties, and

(5) any other duties as delegated by the Commissioner of Internal Revenue.

Subpart B—Administrative Authority To Prevent Identity Theft and Tax Refund Fraud

SEC. 16111. AUTHORITY TO TRANSFER INTERNAL REVENUE SERVICE APPROPRIATIONS TO COMBAT TAX FRAUD.

(a) IN GENERAL.—For any fiscal year, in addition to any other authority to transfer amounts appropriated to an Internal Revenue Service account, the Commissioner of Internal Revenue (referred to in this section as the ''Commissioner'') may transfer not more than $10,000,000 to any account of the Internal Revenue Service from amounts appropriated to other Internal Revenue Service accounts. Any amounts so transferred shall be used solely for the purposes of preventing, detecting, and resolving potential cases of tax fraud, which may include educating taxpayers about common tax fraud scams and how to protect themselves from such scams.

(b) LIMITATION.—The Commissioner shall not transfer any amounts described in subsection (a) unless the Commissioner has determined that taxpayer services provided by the Internal Revenue Service to the public (including telephone operations, forms and publications, and similar types of taxpayer assistance) will not be impaired by such transfer.

SEC. 16112. STREAMLINED CRITICAL PAY AUTHORITY FOR INFORMATION TECHNOLOGY POSITIONS.

(a) AUTHORITY.—Section 9503(a) of title 5, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking ''the Secretary of the Treasury'' and all that follows through ''establish'' and inserting ''the Secretary of the Treasury may, during the period beginning on the date of the enactment of the Identity Theft and Tax Fraud Prevention Act of 2017 and ending on September 30, 2022, establish'', and

(2) in paragraph (1)(B), by striking ''the Internal Revenue Service's successful accomplishment of an important mission'' and inserting ''the functionality of the information technology operations of the Internal Revenue Service''.

(b) RECRUITMENT, RETENTION, RELOCATION INCENTIVES, AND RELOCATION EXPENSES.—Section 9504 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by striking ''Before September 30, 2013'' and inserting ''During the period beginning on the date of the enactment of the Identity Theft and Tax Fraud Prevention Act of 2017 and ending on September 30, 2022'', and

(B) by inserting ''for employees holding positions described in section 9503(a)(1)'' after ''incentives'', and

(2) in subsection (b)—

(A) by striking ''Before September 30, 2013'' and inserting ''During the period beginning on the date of the enactment of the Identity Theft and Tax Fraud Prevention Act of 2017 and ending on September 30, 2022'',

(B) by striking ''employees transferred or reemployed'' and inserting ''employees holding positions described in section 9503(a)(1) who are transferred or reemployed during such period'', and

(C) by striking ''section 9502 or 9503 after June 1, 1998'' and inserting ''section 9503 during such period''.

(c) PERFORMANCE AWARDS FOR SENIOR EXECUTIVES.—Section 9505(a) of title 5, United States Code, is amended—

(1) by striking ''Before September 30, 2013'' and inserting ''During the period beginning on the date of the enactment of the Identity Theft and Tax Fraud Prevention Act of 2017 and ending on September 30, 2022'', and

(2) by striking ''significant functions'' and inserting ''the information technology operations''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after the date of the enactment of this Act.

SEC. 16113. ACCESS TO THE NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(i) of the Social Security Act (42 U.S.C. 653(i)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires solely for purposes of administering the Internal Revenue Code of 1986.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 16114. USE OF INFORMATION IN DO NOT PAY INITIATIVE IN PREVENTION OF IDENTITY THEFT REFUND FRAUD.

The Secretary shall use the information available under the Do Not Pay Initiative established under section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012 (31 U.S.C. 3321 note) to help prevent identity theft refund fraud.

SEC. 16115. MINIMUM STANDARDS FOR PROFESSIONAL TAX PREPARERS.

(a) IN GENERAL.—Subsection (a) of section 330 of title 31, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) establish minimum standards regulating—

''(A) the practice of representatives of persons before the Department of the Treasury; and

''(B) the practice of tax return preparers; and'', and

(2) in paragraph (2)—

(A) by inserting ''or tax return preparer'' after ''representative'' each place it appears, and

(B) by inserting ''or in preparing their tax returns, claims for refund, or documents in connection with tax returns or claims for refund'' after ''cases'' in subparagraph (D).

(b) AUTHORITY TO SANCTION REGULATED TAX RETURN PREPARERS.—Subsection (b) of section 330 of title 31, United States Code, is amended—

(1) by striking ''before the Department'',

(2) by inserting ''or tax return preparer'' after ''representative'' each place it appears, and

(3) in paragraph (4), by striking ''misleads or threatens'' and all that follows and inserting ''misleads or threatens—

''(A) any person being represented or any prospective person being represented; or

''(B) any person or prospective person whose tax return, claim for refund, or document in connection with a tax return or claim for refund, is being or may be prepared.''.

(c) TAX RETURN PREPARER DEFINED.—Section 330 of title 31, United States Code, is

amended by adding at the end the following new subsection:

''(e) TAX RETURN PREPARER.—For purposes of this section—

''(1) IN GENERAL.—The term 'tax return preparer' has the meaning given such term under section 7701(a)(36) of the Internal Revenue Code of 1986.

''(2) TAX RETURN.—The term 'tax return' has the meaning given to the term 'return' under section 6696(e)(1) of the Internal Revenue Code of 1986.

''(3) CLAIM FOR REFUND.—The term 'claim for refund' has the meaning given such term under section 6696(e)(2) of such Code.''.

SEC. 16116. SENSE OF THE SENATE ON STRENGTHENED PENALTIES AND ENFORCEMENT FOR IMPERSONATING AN IRS OFFICIAL OR AGENT.

It is the sense of the Senate that the penalties under section 912 of title 18, United States Code, for impersonating an officer or employee acting under the authority of the United States should be amended to increase the penalties for impersonating an official or agent of the Internal Revenue Service and enforced to the fullest extent of the law.

Subpart C—Reports

SEC. 16121. IRS REPORT ON STOLEN IDENTITY REFUND FRAUD.

(a) IN GENERAL.—Not later than September 30, 2018, and every even-numbered calendar year thereafter through September 30, 2026, the Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the extent and nature of stolen identity refund fraud under the Internal Revenue Code of 1986, as based on the most recent data that is available.

(b) CONTENTS.—The report described in subsection (a) shall include—

(1) a discussion of the detection, prevention, and enforcement activities undertaken by the Internal Revenue Service with respect to such fraud, including—

(A) efforts to combat stolen identity refund fraud, including an update on the victims' assistance unit (or any equivalent unit),

(B) an update on Internal Revenue Service efforts and results associated with limiting multiple refunds to the same financial account and physical address, with appropriate exceptions, and

(C) Internal Revenue Service efforts associated with other avenues for addressing stolen identity refund fraud,

(2) information regarding the average and maximum amounts of time that elapsed before resolution of a victim's case,

(3) an analysis of ways to accelerate information matching in order to prevent stolen identity refund fraud,

(4) an update on the implementation of the relevant provisions of this Act and the amendments made by this Act, and

(5) identification of any further legislation to protect taxpayer resources and information, including preventing tax refund fraud related to the Internal Revenue Service's e-Services tools and electronic filing identification numbers.

(c) ADDITIONAL INFORMATION FOR THE FIRST REPORT.—The first report required under this section shall include—

(1) an assessment of the progress made by the Internal Revenue Service on identity theft outreach and education to individuals, businesses, State agencies, and other external organizations, and

(2) the results of a study on the costs and benefits relating to enhancement of the taxpayer authentication approach employed by the Internal Revenue Service in the electronic tax return filing process.

SEC. 16122. REPORT ON STATUS OF THE IDENTITY THEFT TAX REFUND FRAUD INFORMATION SHARING AND ANALYSIS CENTER.

Not later than 90 days after the date of the enactment of this Act, the Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

(1) whether the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center (referred to in this section as the ''Center'') is fully operational,

(2) if the Center is not fully operational, what steps are necessary for the Center to be fully operational and an estimate of when the Center will be fully operational, and

(3) any challenges that remain for effective sharing of information between the public and private sectors and efforts that are being undertaken to address such challenges.

SEC. 16123. REPORT ON IRS IMPOSTER PHONE SCAM.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Inspector General for Tax Administration, in consultation with the Federal Communications Commission and the Federal Trade Commission, shall submit a report to Congress regarding identity theft phone scams under which individuals attempt to obtain personal information over the phone from taxpayers by falsely claiming to be calling from or on behalf the Internal Revenue Service.

(b) CONTENTS OF REPORT.—Such report shall include—

(1) a description of the nature and form of such scams,

(2) an estimate of the number of taxpayers contacted pursuant to, and the number of taxpayers who have been victims of, such scams,

(3) an estimate of the amount of wrongful payments obtained from such scams, and

(4) details of potential solutions to combat and prevent such scams, including best practices from the private sector and technological solutions.

PART II—IMPROVEMENTS TO ELECTRONIC FILING OF TAX RETURNS

SEC. 16201. STUDY ON FEASIBILITY OF BLOCKING ELECTRONICALLY FILED TAX RETURNS.

Not later than 180 days after the date of the enactment of this Act, the Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the feasibility of implementing a program under which a person who has filed an identity theft affidavit with the Secretary may elect to prevent the processing of any Federal tax return submitted in an electronic format by anyone purporting to be such person, including a recommendation on whether to implement such a program.

SEC. 16202. ENHANCEMENTS TO IRS PIN PROGRAM.

Not later than July 1, 2019, the Secretary shall establish a program to issue, upon request, an identity protection personal identification number (as described in section 6109(e)(2) of the Internal Revenue Code of 1986 (as added by section 16102(b) of this Act)) to any individual after the individual's identity has been verified to the satisfaction of the Secretary.

SEC. 16203. INCREASING ELECTRONIC FILING OF RETURNS.

(a) IN GENERAL.—Subparagraph (A) of section 6011(e)(2) is amended by striking ''250'' and inserting ''the applicable number of''.

(b) APPLICABLE NUMBER.—Subsection (e) of section 6011 is amended by adding at the end the following new paragraph:

''(5) APPLICABLE NUMBER.—For purposes of paragraph (2)(A), the applicable number is—

''(A) in the case of returns and statements relating to calendar years before 2020, 250,

''(B) in the case of returns and statements relating to calendar year 2020, 200,

''(C) in the case of returns and statements relating to calendar year 2021, 150,

''(D) in the case of returns and statements relating to calendar year 2022, 100,

''(E) in the case of returns and statements relating to calendar year 2023, 50, and

''(F) in the case of returns and statements relating to calendar years after 2023, 20.''.

(c) RETURNS FILED BY A TAX RETURN PREPARER.—

(1) IN GENERAL.—Subparagraph (A) of section 6011(e)(3) is amended to read as follows:

''(A) IN GENERAL.—The Secretary shall require that any individual income tax return which is prepared and filed by a tax return preparer be filed on magnetic media. The Secretary may waive the requirement of the preceding sentence if the Secretary determines, on the basis of an application by the tax return preparer, that the preparer cannot meet such requirement based on technological constraints (including lack of access to the Internet).''.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 6011(e) is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which (determined without regard to extensions) is after December 31, 2018.

SEC. 16204. INTERNET PLATFORM FOR FORM 1099 FILINGS.

(a) IN GENERAL.—Not later than January 1, 2022, the Secretary shall make available an Internet website or other electronic media, similar to the Business Services Online Suite of Services provided by the Social Security Administration, that will provide taxpayers access to resources and guidance provided by the Internal Revenue Service and will allow taxpayers to—

(1) prepare and file Forms 1099,

(2) prepare Forms 1099 for distribution to recipients other than the Internal Revenue Service, and

(3) create and maintain necessary taxpayer records.

(b) EARLY IMPLEMENTATION FOR FORMS 1099–MISC.—Not later than January 1, 2020, the Internet website under subsection (a) shall be available in a partial form that will allow taxpayers to take the actions described in such subsection with respect to Forms 1099–MISC required to be filed or distributed by such taxpayers.

SEC. 16205. REQUIREMENT THAT ELECTRONICALLY PREPARED PAPER RETURNS INCLUDE SCANNABLE CODE.

(a) IN GENERAL.—Subsection (e) of section 6011, as amended by section 16203(b) of this Act, is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR RETURNS PREPARED ELECTRONICALLY AND SUBMITTED ON PAPER.—The Secretary shall require that any return of tax which is prepared electronically, but is printed and filed on paper, bear a code which can, when scanned, convert such return to electronic format.''.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 6011(e) is amended by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (6)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns of tax the due date for which (determined without regard to extensions) is after December 31, 2018.

SEC. 16206. AUTHENTICATION OF USERS OF ELECTRONIC SERVICES ACCOUNTS.

Beginning 180 days after the date of the enactment of this Act, the Secretary shall

verify the identity of any individual opening an e-Services account with the Internal Revenue Service before such individual is able to use the e-Services tools.

SA 1771. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

Subtitle F—Coal Community Empowerment Act

SEC. 16001. SHORT TITLE.

This subtitle may be cited as the ''Coal Community Empowerment Act of 2017''.

PART I—COAL COMMUNITY ZONE TAX INCENTIVES

SEC. 16101. COAL COMMUNITY ZONES.

(a) IN GENERAL.—Subchapter Y of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

''PART IV—COAL COMMUNITY ZONES

''SEC. 1400V–1. DEFINITION OF COAL COMMUNITY ZONE.

''(a) IN GENERAL.—For purpose of this part, the term 'coal community zone' means any county in the United States in which—

''(1)(A) there were not less than 50 fewer individuals employed at coal mines in such county for calendar year 2015 as compared to calendar year 2011 (determined based on data collected by the Federal Mine Safety and Health Administration), and

''(B) the quarterly average of the total number of employees employed in such county for the first calendar year in the applicable period (as estimated by the Bureau of Labor Statistics) was not more than 20,000, or

''(2) not less than an average of 5 percent of the total employment within the county during the applicable period was at coal mines.

''(b) DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning after December 31, 2010, and ending before January 1, 2016.

''(2) COAL MINE.—The term 'coal mine' has the meaning given such term under section 3(h)(2) of the Federal Mine Safety and Health Act of 1977.

''SEC. 1400V–2. APPLICATION OF EMPOWERMENT ZONE INCENTIVES TO COAL COMMUNITY ZONES.

''(a) IN GENERAL.—For purposes of this title, except as otherwise provided in this section, a coal community zone shall be treated as an empowerment zone designated under subchapter U.

''(b) PERIOD OF DESIGNATION.—A designation as an empowerment zone under subsection (a) shall remain in effect during the period beginning on January 1, 2018, and ending on December 31, 2022.

''(c) SPECIAL RULES FOR BONDS.—

''(1) IN GENERAL.—In the case of a coal community zone bond—

''(A) such bond shall not be treated as a private activity bond for purposes of section 146, and

''(B) section 1394(c) shall not apply.

''(2) LIMITATION ON AMOUNT OF BONDS.—

''(A) IN GENERAL.—There is a national coal community zone bond limitation for all coal community zone bonds. Such limitation is $1,000,000,000.

''(B) ALLOCATION OF LIMITATION.—The Secretary shall allocate the limitation under subparagraph (A) to States in which there are located coal community zones. Such allocation shall be in proportion to the population of residents in coal community zones in such States relative to the total population of residents in all coal community zones. The limitation allocated to a State under the preceding sentence shall be allocated to issuers of coal community zone bonds in such State.

''(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum face amount of bonds issued which may be designated under paragraph (3)(A) shall not exceed the limitation amount allocated to such issuer under subparagraph (B).

''(3) COAL COMMUNITY BOND.—For purposes of this subsection, the term 'coal community bond' means any bond which would be described in section 1394(a) if—

''(A) such bond was designated for purposes of this subsection by the bond issuer, and

''(B) only coal community zones were taken into account under sections 1397C and 1397D.

''(d) SPECIAL RULES FOR EMPLOYMENT CREDIT.—In applying section 1396 to a coal community zone, the term 'qualified zone employee' shall not include any individual who begins work for the employer before January 1, 2018. Rules similar to section 51(i)(2) shall apply for purposes of the preceding sentence.

''(e) SPECIAL RULES FOR INCREASED SECTION 179 EXPENSING.—

''(1) IN GENERAL.—In applying section 1397A to a coal community zone—

''(A) '$500,000' shall be substituted for '$35,000' in subsection (a)(1)(A), and

''(B) in lieu of applying subsection (a)(2), the dollar amount in effect under section 179(b)(2) shall be increased by the lesser of—

''(i) $500,000, or

''(ii) the cost of section 179 property which is qualified zone property (as defined in section 179D) placed in service during the taxable year.

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2018, the $500,000 amounts in subparagraphs (A) and (B)(i) of paragraph (1) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING.—Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of $10,000.

''(f) SPECIAL RULES FOR NONRECOGNITION OF GAIN ON ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.—In applying section 1397B to a coal community zone—

''(1) 'December 31, 2017' shall be substituted for 'the date of the enactment of this paragraph' in subsection (b)(1)(A)(iii), and

''(2) 'January 1, 2023' shall be substituted for 'the day after the date set forth in section 1391(d)(1)(A)(i)' in subsection (b)(1)(A)(iv).

''SEC. 1400V–3. COMMERCIAL REVITALIZATION DEDUCTION.

''For purposes of section 1400I—

''(1) a coal community zone shall be treated as a renewal community, and

''(2) in applying such section to a coal community zone—

''(A) subsection (d)(2)(A) shall be applied by substituting 'each calendar year after 2017 and before 2023 is $16,000,000 for each coal community zone (as defined in section 1400V–1) in the State' for 'each calendar year after 2001 and before 2010 is $12,000,000 for each renewal community in the State', and

''(B) subsection (g) shall be applied by substituting 'December 31, 2022' for 'December 31, 2009'.

''SEC. 1400V–4. EXCLUSION OF CAPITAL GAINS.

''(a) IN GENERAL.—Gross income does not include any qualified capital gain from the sale or exchange of a qualified coal community zone asset held for more than 5 years.

''(b) QUALIFIED COAL COMMUNITY ZONE ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified coal community zone asset' means—

''(A) any qualified coal community zone stock,

''(B) any qualified coal community zone partnership interest, and

''(C) any qualified coal community zone business property.

''(2) QUALIFIED COAL COMMUNITY ZONE STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified coal community zone stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 2017, and before January 1, 2023, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a coal community zone business (or, in the case of a new corporation, such corporation was being organized for purposes of being a coal community zone business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a coal community zone business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COAL COMMUNITY ZONE PARTNERSHIP INTEREST.—The term 'qualified coal community zone partnership interest' means any capital or profits interest in a domestic partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 2017, and before January 1, 2023, from the partnership solely in exchange for cash,

''(B) as of the time such interest was acquired, such partnership was a coal community zone business (or, in the case of a new partnership, such partnership was being organized for purposes of being a coal community zone business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a coal community zone business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph

''(4) QUALIFIED COAL COMMUNITY ZONE BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified coal community zone business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2017, and before January 1, 2023,

''(ii) the original use of such property in the coal community zone commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a coal community zone business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(i) property which is substantially improved by the taxpayer before January 1, 2023, and

''(ii) any land on which such property is located.

The determination of whether a property is substantially improved shall be made under clause (ii) of section 1400B(b)(4)(B), except that 'December 31, 2017' shall be substituted for 'December 31, 1997' in such clause.

''(5) COAL COMMUNITY ZONE BUSINESS.—For purposes of this section, the term 'coal community zone business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397C if references to coal community zones were substituted for references to empowerment zones.

''(c) QUALIFIED CAPITAL GAIN.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any gain recognized on the sale or exchange of—

''(A) a capital asset, or

''(B) property used in the trade or business (as defined in section 1231(b)).

''(2) GAIN BEFORE 2018 OR AFTER 2022 NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods before January 1, 2018, or after December 31, 2022.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (3), (4), and (5) of section 1400B(e) shall apply for purposes of this subsection.

''(d) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (f) and (g), of section 1400B shall apply; except that for such purposes section 1400B(g)(2) shall be applied by substituting 'January 1, 2018' for 'January 1, 1998' and 'December 31, 2022' for 'December 31, 2014'.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the abuse of the purposes of this section.

''SEC. 1400V–5. APPLICATION OF NEW MARKETS TAX CREDIT TO INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES SERVING COAL COMMUNITY ZONES.

''For purposes of section 45D—

''(1) a qualified community development entity shall be eligible for an allocation under subsection (f)(2) thereof of the increase in the new markets tax credit limitation described in paragraph (2) only if a significant mission of such entity is the recovery and redevelopment of population census tracts within coal community zones,

''(2) the new markets tax credit limitation otherwise determined under subsection (f)(1) thereof shall be increased by an amount equal to $300,000,000 for each of calendar years 2017, 2018, 2019, and 2020, to be allocated among qualified community development entities to make qualified low-income community investments within coal community zones, and

''(3) subsection (f)(3) thereof shall be applied separately with respect to the amount of the increase under paragraph (2).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1394(f)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting ''or any coal community zone'' after ''District of Columbia Enterprise Zone''.

(2) The table of parts for subchapter Y of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''PART IV—COAL COMMUNITY ZONES''.

PART II—EDUCATION AND TRAINING FOR COAL COMMUNITIES

SEC. 16201. DEFINITIONS.

In this title:

(1) COAL COMMUNITY INDIVIDUAL.—The term ''coal community individual'' means an individual—

(A) with a principal residence in a coal community zone; or

(B) who works in a coal community zone.

(2) COAL COMMUNITY STUDENT.—The term ''coal community student'' means a coal community individual attending an educational program.

(3) COAL COMMUNITY ZONE.—The term ''coal community zone'' has the meaning given the term in section 1400V–1 of the Internal Revenue Code of 1986, as added by section 16101.

(4) COAL-FIRED GENERATOR.—The term ''coal-fired generator'' means an electric utility steam generating unit that burns coal for 50 percent or more of the average annual heat input.

(5) COAL-RELATED EMPLOYEE.—The term ''coal-related employee'' means, with respect to any county, any individual who—

(A) is employed at a coal mine (as defined in section 3(h)(2) of the Federal Mine Safety and Health Act of 1977(30 U.S.C. 802)) in such county, or

(B) is employed at a coal-fired generator located in such county by the owner of such coal-fired generator.

(6) ELIGIBLE ENTITY.—The term ''eligible entity'' means a partnership between—

(A)(i) an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(ii) a nonprofit educational organization; or

(iii) a provider identified under section 122 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152); and

(B) not less than 1 business or industry that intends to expand or hire additional or new workers who are coal community individuals or who previously worked in the coal community zone.

(7) IN-DEMAND INDUSTRY SECTOR OR OCCUPATIONS.—The term ''in-demand industry sector or occupation'' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(8) LOCAL ADMINISTRATOR.—The term ''local administrator'' means an entity that—

(A) is—

(i) a local governmental agency;

(ii) a partnership consisting of a local governmental agency and an institution of higher education or a nonprofit organization;

(iii) a local board (as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102));

(iv) a State governmental agency; or

(v) a nonprofit organization; and

(B) has been selected by the local government of a coal community zone to administer the individual support account program under section 16202 and the business training fund program under section 16205, to the extent the local government elects to apply for grants under either such section.

(9) QUALIFYING INDIVIDUAL.—The term ''qualifying individual'' means an individual—

(A) whose principal residence is within a coal community zone; and

(B) whom the local administrator of the coal community zone determines is in need of additional education and training in order to obtain long-term employment at a high wage.

(10) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term ''recognized postsecondary credential'' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(11) SECRETARIES.—The term ''Secretaries'' means the Secretary of Education and the Secretary of Labor.

SEC. 16202. INDIVIDUAL SUPPORT ACCOUNTS.

(a) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—For each fiscal year for which funds are available under subsection (f), the Secretaries, in accordance with the interagency agreement described in section 16206, shall carry out a program awarding grants to local administrators of coal community zones, to enable the local administrators to use such funds to manage individual support accounts for qualifying individuals.

(2) DURATION.—

(A) IN GENERAL.—Grants awarded under paragraph (1) shall be expended for approved education and training by the last day of the 3-year period beginning on the award date.

(B) RENEWAL.—The Secretaries may renew a grant under paragraph (1) once for an additional 2-year period, if the local administrator demonstrates that the program under the grant has had a record of success and high-quality outcomes.

(b) APPLICATION.—A local administrator of a coal community zone desiring funds under this section shall submit an application to the Secretaries at such time, in such manner, and containing such information, as the Secretaries may require. Such application shall include—

(1) the number of qualifying individuals in the community;

(2) a plan for allocating funds to qualifying individuals;

(3) a description of the providers of education and training in the community and their outcomes-based track record of success, including, for such programs—

(A) the student completion rates of the programs of education and training;

(B) the employment rates for students completing the programs of education and training as of 1 year, 3 years, and 5 years after the completion of the program; and

(C) the annual salary of students completing the programs of education and training as of 1 year, 3 years, and 5 years after completion of the program; and

(4) if new eligible education and training providers are expected to open or expand to the coal community zone or the local administrator plans to recruit or encourage new such providers—

(A) a description of such providers; and

(B) evidence to demonstrate such providers will be high-quality and result in the employment of a significant percentage of individuals in high-wage, in demand industries.

(c) DISTRIBUTION OF FUNDS.—The Secretaries shall award funds under this section to local administrators that submit an application under subsection (b) based on—

(1) the number of people affected by the decline in employment opportunities for coal-related employees during the applicable period;

(2) the quality of the providers of education and training in the community; and

(3) the likelihood that funding will result in employment in a high-demand, high-wage industry for coal-related employees or others in the community in need of additional education and training.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A local administrator receiving funds under this section for a coal community zone shall use such funds to establish individual support accounts described in paragraph (2) for qualifying individuals.

(2) INDIVIDUAL SUPPORT ACCOUNTS.—

(A) IN GENERAL.—Amounts made available through an individual support account established for a qualifying individual shall be used to pay for education and training costs described in paragraph (3) that will prepare the qualifying individual for long-term, high-wage employment.

(B) AMOUNT.—For any fiscal year, the amount provided under this section for an individual support account of a qualifying individual for a fiscal year shall not exceed the maximum amount of a Federal Pell Grant for the most recent award year.

(C) LIMITED FUNDS.—If, for any fiscal year, the amount of funds provided under this section to a local administrator for a coal community zone are not enough to fund individual support accounts for all qualifying individuals in the coal community zone requesting such accounts, the local administrator shall give a priority to qualifying individuals requesting to use the account funds for education and training programs that—

(i) prepare individuals for in-demand industry sectors or occupations; and

(ii) have strong outcomes based on the criteria described in subsection (e)(1)(B).

(3) ELIGIBLE EDUCATION AND TRAINING PROGRAMS.—

(A) IN GENERAL.—Amounts provided in an individual support account for a qualifying individual may be used for costs related to a program of education and training approved by the local administrator under subparagraph (B), which may include—

(i) a program offered by an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(ii) a program of training, including a program leading to a recognized postsecondary credential, offered by an eligible provider of training services identified under section 122 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152); and

(iii) costs (including associated education, curriculum, and mentorship costs), related to an apprenticeship, internship, or externship—

(I) in an in-demand industry sector or occupation; or

(II) for a position where there is a reasonable expectation of long-term employment.

(B) ADDITIONAL EDUCATION AND TRAINING PROGRAMS.—A local administrator shall provide a process through which the administrator may approve the use of funds in an individual support account for education or training expenses. Through such process, the administrator shall—

(i) allow a qualified individual to request the approval of a particular provider or program of education and training, or a particular education and training expense, on an individual basis;

(ii) before approving a provider, program of education or training, or other education and training expense, consider—

(I) the local industry demands;

(II) the likelihood that an individual will be employed following the completion of the program of education or training; and

(III) the quality and effectiveness of the program of education or training offered by the provider, based on the outcomes-based record of success of the provider, including—

(aa) the student completion rates of the programs of education and training offered by the provider;

(bb) the employment rates for students completing the programs of education and training as of 1 year, 3 years, and 5 years after the completion of the program; and

(cc) the annual salary of students completing the programs of education and training as of 1 year, 3 years, and 5 years after completion of the program; and

(iii) make a determination that such provider is in the best interest of the coal community zone and the qualifying individuals.

(e) REPORTS.—

(1) LOCAL ADMINISTRATOR REPORTS.—Each local administrator receiving funds under this section for a fiscal year shall, for each such year, prepare and submit a report to the Secretaries that includes—

(A) a description of the achievements of the program supported under this section, including the program's levels of performance achieved with respect to the primary indicators of performance described in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3141(b)(2)(A)(i));

(B) a description of the outcomes-based results for the programs of training and education for which funds were used under this section, in the aggregate and individually, including—

(i) the student completion rates of the program of education and training;

(ii) the employment rates for students completing the program of education and training as of 1 year, 3 years, and 5 years after the completion of the program; and

(iii) the annual salary of students completing the program of education and training as of 1 year, 3 years, and 5 years after completion of the program;

(C) the return on investment of funds provided to individual support accounts under this section; and

(D) any other information that the Secretaries may require.

(2) REPORT TO CONGRESS.—The Secretaries shall prepare and submit an annual report to Congress regarding the program supported under this section.

(3) INSTITUTE OF EDUCATION SCIENCES EVALUATION.—The Director of the Institute of Education Sciences shall evaluate the effectiveness, quality, and return in investment of funds under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Labor to carry out this section such sums as may be necessary for each of fiscal years 2018 through 2023.

SEC. 16203. PRIORITY FOR EMPLOYMENT AND TRAINING ACTIVITIES FOR QUALIFYING INDIVIDUALS.

(a) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(c) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)) is amended by adding at the end the following:

''(4) PRIORITY INDIVIDUALS.—

''(A) IN GENERAL.—With respect to funds allocated to a local area for adult employment and training activities under paragraph (2)(A) or (3) of section 133(b) or for dislocated worker employment and training activities under section 133(b)(2)(B), priority shall be given to priority individuals for receipt of career services described in paragraph (2) and training services. The appropriate local board and the Governor shall direct the one-stop operators in the local area with regard to making determinations related to such priority.

''(B) DEFINITION.—In this paragraph, the term 'priority individual' means a qualifying individual, as defined in section 16201 of the Coal Community Empowerment Act of 2017, who is eligible to receive the service involved under this subsection.''.

(b) ALLOWABLE LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(d)) is amended by adding at the end the following:

''(6) PRIORITY INDIVIDUALS.—

''(A) IN GENERAL.—With respect to funds allocated to a local area for adult employment and training activities under paragraph (2)(A) or (3) of section 133(b) or for dislocated worker employment and training activities under section 133(b)(2)(B), priority shall be given to priority individuals for receipt of services described in paragraphs (1) through (5) of this subsection. The appropriate local board and the Governor shall direct the one-stop operators in the local area with regard to making determinations related to such priority.

''(B) DEFINITION.—In this paragraph, the term 'priority individual' means a qualifying individual, as defined in section 16201 of the Coal Community Empowerment Act of 2017, who is eligible to receive the service involved under this subsection.''.

SEC. 16204. DEVELOPMENT GRANTS.

(a) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts made available to carry out this section, the Secretaries, in accordance with the interagency agreement described in section 16206, shall award grants, on a competitive basis, to eligible entities, to support the eligible entities in the development, revamping, improvement, or expansion of programs of education and training for coal community zones in in-demand industry sectors or occupations or in industries in local demand.

(2) DURATION.—

(A) IN GENERAL.—A grant awarded under this section shall be for a period of 3 years.

(B) RENEWAL.—The Secretaries may renew a grant awarded under section for a single 2-year period, if—

(i) the eligible entity demonstrates that the program under the grant has a record of success and high-quality outcomes; and

(ii) the local government or local administrator that submitted the demonstration of application approval under the initial application under subsection (b)(1)(E) approves of the renewal.

(b) APPLICATION.—

(1) IN GENERAL.—An eligible entity desiring a grant under this section shall submit an application to the Secretaries at such time, in such manner, and containing such information as the Secretaries may require, including—

(A) the number of coal community students in the coal community zone to be served;

(B) a plan for allocating funds to coal community students;

(C) a description of the eligible entity's track record of success with the programs of education and training to be supported under the grant, including—

(i) the student completion rates of the programs of education and training;

(ii) the employment rates for students completing the programs of education and training as of 1 year, 3 years, and 5 years after the completion of the program;

(D) a demonstration that the eligible entity is of high quality and will be a benefit to the coal community students and the coal community zone;

(E) a demonstration of application approval from the local government of the coal community zone or, in the case of a coal community zone receiving a grant under section 16202, the local administrator for such grant, including a statement that the application and funds requested under the application is in the best interest of the coal community zone and coal community students; and

(F) an assurance that if the program supported under the grant does not enroll the required percentage of coal community students under subsection (c)(1), the eligible entity shall reimburse the Secretaries, in the amount and manner described in subsection (d).

(c) USE OF FUNDS.—An eligible entity receiving a grant under this program shall use such funds for the development, revamping, improvement, or expansion of a high-quality training and education program that—

(1) predominantly serves coal community students by ensuring that not less than 75 percent of the students enrolled in the program are coal community students;

(2) provides training in high-wage, high-demand industries or in industries in local demand;

(3) is free or offered at a very low cost to coal community students; and

(4) enters into an agreement with each coal community student that enrolls in the program to ensure that the eligible entity can obtain the information necessary for the report under subsection (e)(1).

(d) REIMBURSEMENT.—

(1) IN GENERAL.—An eligible entity that does not enroll the required percentage described in subsection (c)(1) shall reimburse the Secretaries in the amount equal to the product of—

(A) the average per-student cost of the program; and

(B) the number of additional coal community students that would have been needed in order for the program to meet the 75 percent coal community student enrollment requirement under subsection (c)(1).

(2) USE OF REIMBURSED FUNDS.—Any funds reimbursed to the Secretaries under this subsection may be used by the Secretaries to award additional grants under this section.

(e) REPORTS.—

(1) ELIGIBLE ENTITY REPORT.—Each eligible entity receiving a grant under this section shall prepare and submit to the Secretaries an annual report regarding the outcomes of the grant, including—

(A) the number of students, and the number of coal community students, enrolled in the program supported under the grant;

(B) the number of students, and the number of coal community students, completing such program;

(C) the number of students, and the number of coal community students, who have completed such program and who are employed after completion of such program as of—

(i) 6 months after the date of completion;

(ii) 1 year after the date of completion;

(iii) 3 years after the date of completion; and

(iv) 5 years after the date of completion;

(D) the average wage of students, and the average wage of coal community students, who have completed such program as of—

(i) 6 months after the date of completion;

(ii) 1 year after the date of completion; and

(iii) 3 years after the date of completion; and

(E) the satisfaction rate of all students, and the satisfaction rate of coal community students, including students who completed the program and students who did not complete—

(i) 6 months after the date of completion or leaving the program;

(ii) 1 year after the date of completion or leaving the program; and

(iii) 3 years after the date of completion or leaving the program.

(2) REPORT TO CONGRESS.—The Secretaries shall prepare and submit an annual report to Congress regarding the grants awarded under this section.

(3) INSTITUTE OF EDUCATION SCIENCES EVALUATION.—The Director of the Institute of Education Sciences shall evaluate the effectiveness, quality, and return in investment of grant funds provided under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Education to carry out this section such sums as may be necessary for fiscal years 2018 through 2023.

SEC. 16205. BUSINESS TRAINING FUNDS.

(a) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—From amounts made available under subsection (e), the Secretaries, in accordance with the interagency agreement under section 16206, shall award grants, on a competitive basis, to local administrators to enable the local administrators to award subgrants under subsection (c) to businesses to provide in-house training, and future employment, to coal community individuals.

(2) DURATION.—

(A) IN GENERAL.—A grant awarded under this section shall be for a 3-year period.

(B) LIMITATION.—A local administrator may not receive more than 1 grant under this section.

(b) APPLICATIONS.—A local administrator desiring a grant under this section shall submit to the Secretaries an application at such time, in such manner, and containing such information as the Secretaries may require, including—

(1) the number of coal community individuals in the coal community zone to be served;

(2) the number of coal community individuals that will benefit from the program;

(3) a description of the eligible businesses described in subsection (c)(2) that will participate in the program proposed under the grant, including the in-demand industry sectors or occupations represented by the businesses;

(4) the target employment numbers of participating individuals for the eligible businesses participating;

(5) a plan for allocating grant funds to businesses; and

(6) a description of the process through which the coal community agency will evaluate any requests to waive the employment requirement under subsection (c)(3)(B).

(c) SUBGRANTS.—

(1) IN GENERAL.—Each local administrator receiving a grant under this section shall use grant funds to award subgrants, to eligible businesses described in paragraph (2), to enable the eligible businesses to provide in-house training to coal community individuals in preparation for employment with or advancement within the eligible businesses.

(2) ELIGIBILITY.—In order to be eligible for a subgrant under this subsection, a business shall—

(A) be a business located in a coal community zone; and

(B) provide an assurance that the business will hire, for a minimum of one year, each coal community individual who completes the in-house training provided under the subgrant or will reimburse the local administrator in accordance with paragraph (3).

(3) REIMBURSEMENT OF TRAINING FOR EMPLOYEES NOT HIRED.—

(A) IN GENERAL.—A business that does not hire or retain, for a period of not less than 1 year, all coal community individuals who complete the in-house training provided under a subgrant under this subsection shall reimburse the local administrator in the amount equal to the cost of the training provided to such employee, subject to subparagraph (B).

(B) WAIVER.—Upon request by a business receiving a subgrant under this subsection, the local administrator may waive the reimbursement requirement of subparagraph (A) for a business if the local administrator determines that—

(i) the business made substantial effort to comply with the employment requirement under subparagraph (A);

(ii) hired a significant percentage of individuals relative to the amount of funds provided under the grant; or

(iii) the decision made by the business to not hire or retain an individual was for cause.

(C) USE OF REIMBURSED FUNDS.—By not later than 30 days after receiving a reimbursement under paragraph (3)(A), a local administrator—

(i) shall report the receipt of such funds to the Secretaries; and

(ii) may apply to the Secretaries for permission to reallocate the funds received under this paragraph during the grant period.

(d) REPORTS.—

(1) REPORTS BY BUSINESSES.—Each business receiving a subgrant under subsection (c) shall prepare and submit an annual report to the local administrator regarding the subgrant, including—

(A) the numbers of coal community individuals—

(i) beginning the training provided under this section;

(ii) completing such training;

(iii) hired by the business within 3 months of completion; and

(iv) still employed by the business, as of 6 months, 1 year, 2 years, and 4 years after the completion of the training; and

(B) the average salary of the coal community individuals hired after completing the training.

(2) REPORTS BY COAL COMMUNITY AGENCIES.—Each local administrator receiving a grant under this section shall prepare and submit an annual report to the Secretaries regarding the grant under this section.

(3) REPORT BY SECRETARIES.—The Secretaries shall prepare and submit an annual report to Congress regarding the grant program under this section that includes the information provided by the coal community agencies under paragraph (2).

(4) INSTITUTE OF EDUCATION SCIENCES EVALUATION.—The Director of the Institute of Education Sciences shall evaluate the effectiveness, quality, and return in investment of grant funds provided under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Labor to carry out this section such sums as may be necessary for each of fiscal years 2018 through 2023.

SEC. 16206. INTERAGENCY AGREEMENT.

The Secretary of Education and the Secretary of Labor shall jointly administer the programs under sections 16203, 16204, and 16205 in accordance with such terms as the Secretaries set forth in an interagency agreement. Such interagency agreement shall include, at a minimum and for each such program—

(1) a description of the respective roles and responsibilities of the Secretaries (both jointly and separately); and

(2) provisions establishing that, for each of the programs under such sections, the Secretary to whom funds are authorized to be appropriated under section 16202(f), 16204(f), or 16205(e) shall have fiscal authority over the program carried out under such section and will be responsible for the obligation and disbursement of such funds.

SA 1772. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr.

MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. ___. ESTABLISHMENT OF FULLY REFUNDABLE CHILD TAX CREDIT.

(a) ELIMINATION OF EXISTING CHILD TAX CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by striking section 24.

(b) ESTABLISHMENT OF FULLY REFUNDABLE CHILD TAX CREDIT.—Subpart C of part IV of subchapter A of chapter 1 of subtitle A of such Code is amended by inserting after section 36B the following new section:

''SEC. 36C. CHILD TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) with respect to each qualifying child of the taxpayer who has attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to $3,000, and

''(2) with respect to each qualifying child of the taxpayer who has not attained 6 years of age before the close of such taxable year and for which the taxpayer is allowed a deduction under section 151, an amount equal to 120 percent of the dollar amount in paragraph (1).

''(b) LIMITATION.—

''(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by the applicable amount for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount. For purposes of the preceding sentence, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

''(2) THRESHOLD AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'threshold amount' means—

''(i) $110,000 in the case of a joint return,

''(ii) $75,000 in the case of an individual who is not married, and

''(iii) $55,000 in the case of a married individual filing a separate return.

''(B) MARITAL STATUS.—For purposes of this paragraph, marital status shall be determined under section 7703.

''(3) APPLICABLE AMOUNT.—For purposes of paragraph (1), the term 'applicable amount' means an amount equal to the quotient of—

''(A) the amount of the credit allowable under subsection (a), as determined without regard to this subsection, divided by

''(B) an amount equal to the product of—

''(i) $20, multiplied by

''(ii) the total number of qualifying children of the taxpayer.

''(c) QUALIFYING CHILD.—

''(1) IN GENERAL.—In this section, the term 'qualifying child' means a qualifying child of the taxpayer (as defined in section 152(c)) who has not attained 19 years of age.

''(2) EXCEPTION FOR CERTAIN NON-CITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(d) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2017, the $3,000 amount in subsection (a)(1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost of living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins determined by substituting 'calendar year 2016' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

''(e) IDENTIFICATION REQUIREMENTS.—

''(1) QUALIFYING CHILD IDENTIFICATION REQUIREMENT.—No credit shall be allowed under this section to a taxpayer with respect to any qualifying child unless the taxpayer includes the name and taxpayer identification number of such qualifying child on the return of tax for the taxable year and such taxpayer identification number was issued on or before the due date for filing such return.

''(2) TAXPAYER IDENTIFICATION REQUIREMENT.—No credit shall be allowed under this section if the identifying number of the taxpayer was issued after the due date for filing the return for the taxable year.

''(f) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

''(g) RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY CLAIMED CREDIT IN PRIOR YEAR.—

''(1) TAXPAYERS MAKING PRIOR FRAUDULENT OR RECKLESS CLAIMS.—

''(A) IN GENERAL.—No credit shall be allowed under this section for any taxable year in the disallowance period.

''(B) DISALLOWANCE PERIOD.—For purposes of subparagraph (A), the disallowance period is—

''(i) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer's claim of credit under this section was due to fraud, and

''(ii) the period of 2 taxable years after the most recent taxable year for which there was a final determination that the taxpayer's claim of credit under this section was due to reckless or intentional disregard of rules and regulations (but not due to fraud).

''(2) TAXPAYERS MAKING IMPROPER PRIOR CLAIMS.—In the case of a taxpayer who is denied credit under this section for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

''(h) RECONCILIATION OF CREDIT AND ADVANCE CREDIT.—

''(1) IN GENERAL.—The amount of the credit allowed under this section for any taxable year shall be reduced (but not below zero) by the aggregate amount of any advance payments of such credit under section 7527A for such taxable year.

''(2) EXCESS ADVANCE PAYMENTS.—If the aggregate amount of advance payments under section 7527A for the taxable year exceed the amount of the credit allowed under this section for such taxable year (determined without regard to paragraph (1)), the tax imposed by this chapter for such taxable year shall be increased by the amount of such excess''.

(c) ADVANCE PAYMENT OF CREDIT.—Chapter 77 of the Internal Revenue Code of 1986 is amended by inserting after section 7527 the following new section:

''SEC. 7527A. ADVANCE PAYMENT OF CHILD TAX CREDIT.

''(a) IN GENERAL.—As soon as practicable and not later than 1 year after the date of the enactment of this section, the Secretary shall establish a program for making advance payments of the credit allowed under section 36C on a monthly basis (determined without regard to subsection (h)(1) of such section), or as frequently as the Secretary determines to be administratively feasible, to taxpayers allowed such credit.

''(b) LIMITATION.—

''(1) IN GENERAL.—The Secretary may make payments under subsection (a) only to the extent that the total amount of such payments made to any taxpayer during the taxable year does not exceed an amount equal to the excess, if any, of—

''(A) subject to paragraph (2), the amount determined under subsection (a) of section 36C with respect to such taxpayer (determined without regard to subsection (h) of such section) for such taxable year, over

''(B) the estimated tax imposed by subtitle A, as reduced by the credits allowable under subparts A and C (with the exception of section 36C) of such part IV, with respect to such taxpayer for such taxable year, as determined in such manner as the Secretary deems appropriate.

''(2) APPLICATION OF THRESHOLD AMOUNT LIMITATION.—The program described in subsection (a) shall make reasonable efforts to apply the limitation of section 36C(b) with respect to payments made under such program.''.

(d) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by striking the item relating to section 24.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of subtitle A of such Code is amended by inserting after the item relating to section 36B the following:

''Sec. 36C. Child tax credit.''.

(3) The table of sections for chapter 77 of such Code is amended by inserting after the item relating to section 7527 the following new item:

''Sec. 7527A. Advance payment of child tax credit.''.

(4) Subparagraph (B) of section 45R(f)(3) of such Code is amended to read as follows:

''(B) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A) shall be treated as taxes referred to in such subparagraph.''.

(5) Section 152(f)(6)(B)(ii) of such Code is amended by striking ''section 24'' and inserting ''section 36C''.

(6) Paragraph (26) of section 501(c) of such Code is amended in the flush matter at the end by striking ''section 24(c))'' and inserting ''section 36C(c)) who has not attained 17 years of age''.

(7) Section 6211(b)(4)(A) of such Code is amended—

(A) by striking ''24(d),'', and

(B) by inserting ''36C,'' after ''36B,''.

(8) Section 6213(g)(2) of such Code is amended—

(A) in subparagraph (I), by striking ''section 24(e)'' and inserting ''section 36C(e)'', and

(B) in subparagraph (L), by striking ''24, or 32'' and inserting ''32, or 36C''.

(9) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''36C,'' after ''36B,''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

SA 1773. Mrs. MURRAY (for herself and Mr. UDALL) submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 120, strike line 7 and all that follows through page 138, line 15 and insert the following:

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2020.

(2) WITHHOLDING.—The amendments made by subsection (b)(3) shall apply to distributions made after December 31, 2020.

(3) CERTAIN TRANSFERS.—The amendments made by subsection (b)(6) shall apply to transfers made after December 31, 2020.

(d) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under the average rate assumption method.

(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the first day of the taxable year that includes the date of enactment of this Act—

(A) the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and

(B) the taxpayer's books and underlying records did not contain the vintage account data necessary to apply the average rate assumption method,

the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

(3) DEFINITIONS.—For purposes of this subsection—

(A) EXCESS TAX RESERVE.—The term ''excess tax reserve'' means the excess of—

(i) the reserve for deferred taxes (as described in section 168(i)(9)(A)(ii) of the Internal Revenue Code of 1986) as determined under the Internal Revenue Code of 1986 as in effect on the day before the date of the enactment of this Act, over

(ii) the amount which would be the balance in such reserve if the amount of such reserve were determined by assuming that the corporate rate reductions provided in this Act were in effect for all prior periods.

(B) AVERAGE RATE ASSUMPTION METHOD.—The average rate assumption method is the method under which the excess in the reserve for deferred taxes is reduced over the remaining lives of the property as used in its regulated books of account which gave rise to the reserve for deferred taxes. Under such method, if timing differences for the property reverse, the amount of the adjustment to the reserve for the deferred taxes is calculated by multiplying—

(i) the ratio of the aggregate deferred taxes for the property to the aggregate timing differences for the property as of the beginning of the period in question, by

(ii) the amount of the timing differences which reverse during such period.

(C) ALTERNATIVE METHOD.—The ''alternative method'' is the method in which the taxpayer—

(i) computes the excess tax reserve on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and

(ii) reduces the excess tax reserve ratably over the remaining regulatory life of the property.

(4) TAX INCREASED FOR NORMALIZATION VIOLATION.—If, for any taxable year ending after the date of the enactment of this Act, the taxpayer does not use a normalization method of accounting, the taxpayer's tax for the taxable year shall be increased by the amount by which it reduces its excess tax reserve more rapidly than permitted under a normalization method of accounting.

SEC. 13002. REDUCTION IN DIVIDEND RECEIVED DEDUCTIONS TO REFLECT LOWER CORPORATE INCOME TAX RATES.

(a) DIVIDENDS RECEIVED BY CORPORATIONS.—

(1) IN GENERAL.—Section 243(a)(1) is amended by striking ''70 percent'' and inserting ''50 percent''.

(2) DIVIDENDS FROM 20-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—

(A) by striking ''80 percent'' and inserting ''65 percent'', and

(B) by striking ''70 percent'' and inserting ''50 percent''.

(3) CONFORMING AMENDMENT.—The heading for section 243(c) is amended by striking ''RETENTION OF 80-PERCENT DIVIDEND RECEIVED DEDUCTION'' and inserting ''INCREASED PERCENTAGE''.

(b) DIVIDENDS RECEIVED FROM FSC.—Section 245(c)(1)(B) is amended—

(1) by striking ''70 percent'' and inserting ''50 percent'', and

(2) by striking ''80 percent'' and inserting ''65 percent''.

(c) LIMITATION ON AGGREGATE AMOUNT OF DEDUCTIONS.—Section 246(b)(3) is amended—

(1) by striking ''80 percent'' in subparagraph (A) and inserting ''65 percent'', and

(2) by striking ''70 percent'' in subparagraph (B) and inserting ''50 percent''.

(d) REDUCTION IN DEDUCTION WHERE PORTFOLIO STOCK IS DEBT-FINANCED.—Section 246A(a)(1) is amended—

(1) by striking ''70 percent'' and inserting ''50 percent'', and

(2) by striking ''80 percent'' and inserting ''65 percent''.

(e) INCOME FROM SOURCES WITHIN THE UNITED STATES.—Section 861(a)(2) is amended—

(1) by striking ''100/70th'' and inserting ''100/50th'' in subparagraph (B), and

(2) in the flush sentence at the end—

(A) by striking ''100/80th'' and inserting ''100/65th'', and

(B) by striking ''100/70th'' and inserting ''100/50th''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (c) thereof) shall apply to dividends received by a corporation after December 31, 2020, in taxable years ending after such date.

(2) LIMITATION.—The amendments made by section 102(c) shall apply to taxable years beginning after December 31, 2020.

Subpart B—Dividends Paid Deduction for Domestic Corporations

SEC. 13011. DIVIDENDS PAID DEDUCTION.

(a) GENERAL RULE.—Part VIII of subchapter B of chapter 1 is amended by inserting after section 241 the following:

''Subpart B—Dividends Paid Deduction

''Sec. 242. Dividends paid deduction.

''SEC. 242. DIVIDENDS PAID DEDUCTION.

''(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible corporation, there shall be allowed as a deduction an amount equal to zero percent of the aggregate amount of applicable dividends paid by the corporation during the taxable year.

''(b) APPLICABLE DIVIDEND.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable dividend' means, with respect to an eligible corporation, any distribution by the eligible corporation during a taxable year which is—

''(A) treated as a dividend for purposes of this chapter, and

''(B) paid out of its applicable earnings and profits.

''(2) ORDERING RULE FOR DIVIDEND PAYMENTS.—For purposes of paragraph (1)(B), dividends shall be treated as paid—

''(A) first, out of exempt earnings and profits,

''(B) second, out of applicable earnings and profits, and

''(C) finally, out of earnings and profits not described in subparagraph (A) or (B).

''(3) COORDINATION WITH OTHER DEDUCTIONS.—Such term shall not include—

''(A) any amount allowed as a deduction under section 591 (relating to deduction for dividends paid by mutual savings banks, etc.), and

''(B) any dividend described in paragraph (2) of section 404(k) (relating to deduction for dividends paid on certain employer securities).

''(4) ELECTION TO TREAT CERTAIN DISTRIBUTIONS PAID AFTER CLOSE OF YEAR AS PAID DURING YEAR.—For purposes of this title, an eligible corporation may elect on its return of tax for any taxable year to treat any distribution made on or before the 15th day of the 4th month following the close of the taxable year as having been made immediately before the close of the taxable year. The preceding sentence shall not apply for purposes of determining the time the distribution was received by the shareholder to whom the distribution was made.

''(5) APPLICABLE EARNINGS AND PROFITS.—

''(A) IN GENERAL.—The term 'applicable earnings and profits' means, with respect to any corporation for any taxable year, its earnings and profits for the taxable year and its earnings and profits accumulated in prior taxable years beginning after December 31, 2020. For purposes of the preceding sentence, earnings and profits for the taxable year shall be determined without regard to the deduction under this section for the taxable year.

''(B) EXEMPT EARNINGS AND PROFITS NOT TREATED AS APPLICABLE EARNINGS AND PROFITS.—The applicable earnings and profits of a corporation shall not include any exempt earnings and profits (as defined in paragraph (6)).

''(C) LOOK-THRU IN THE CASE OF DIVIDENDS RECEIVED FROM CONTROLLED FOREIGN CORPORATION OR 10/50 CORPORATION.—If a corporation which is a United States shareholder in a controlled foreign corporation, or is a shareholder in a foreign corporation with respect to which the shareholder meets the stock ownership requirements of section 902(a), receives a dividend (other than a dividend to which subparagraph (B) applies) from such controlled foreign corporation or such foreign corporation, the earnings and profits from such dividend shall not be treated as applicable earnings and profits of the corporation receiving such dividend to the extent of any portion of the dividend not properly allocable (as determined under section 316, as modified by section 959(c) in the case

of such controlled foreign corporation) to applicable earnings and profits of such controlled foreign corporation or such foreign corporation.

''(6) EXEMPT EARNINGS AND PROFITS.—

''(A) IN GENERAL.—The term 'exempt earnings and profits' means, with respect to any corporation for any taxable year, its earnings and profits for the taxable year and its earnings and profits accumulated in prior taxable years beginning after December 31, 2020, which are properly allocable to exempt amounts received or accrued by the corporation.

''(B) EXEMPT AMOUNTS.—The term 'exempt amounts' means, with respect to any corporation—

''(i) any dividend to the extent of the deduction allowable to the corporation under section 243, 245, or 245A with respect to the dividend,

''(ii) any foreign-derived intangible income (as defined in section 250(b)) or global intangible low-taxed income (as defined in section 951A(b)) to the extent of the deduction allowable to the corporation under section 250 with respect to any such income,

''(iii) any increase in subpart F income by reason of section 965 to the extent of the deduction allowable to the corporation under section 965(c)(1) with respect to any such income, and

''(iv) any other amount to the extent such amount is exempt from taxation under this title.

''(7) PROPER ALLOCATION OF DIVIDENDS TO EARNINGS AND PROFITS.—

''(A) IN GENERAL.—The Secretary shall prescribe rules for the proper allocation of dividends to earnings and profits for purposes of applying this subsection.

''(B) LOOK THROUGH RULES.—For purposes of paragraph (4)(C), such rules shall include rules requiring in appropriate cases the look through to earnings and profits of members of any affiliated group including a controlled foreign corporation or foreign corporation described in such paragraph where the earnings and profits of such controlled foreign corporation or such foreign corporation are attributable to distributions received from other members of the group.

''(c) ELIGIBLE CORPORATION.—For purposes of this section, the term 'eligible corporation' means any domestic corporation other than—

''(1) a regulated investment company,

''(2) a real estate investment trust,

''(3) an S corporation,

''(4) a corporation which is exempt from tax under section 501 or 521,

''(5) an organization taxable under subchapter T of this chapter (relating to cooperative organizations),

''(6) a cooperative governed by the rules applicable to cooperatives as in effect before the enactment of subchapter T, or

''(7) a DISC or former DISC.

''(d) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—Each eligible corporation which makes payments of dividends during the reporting period for any taxable year shall make a return, according to the forms and regulations prescribed by the Secretary, setting forth—

''(A) the aggregate amount of such dividends,

''(B) the aggregate amount of such dividends with respect to which the corporation is claiming a deduction under this section for the taxable year,

''(C) the aggregate amount of such dividends which the corporation paid during the period beginning on the 1st day of the reporting taxable year and ending on the 15th day of the 4th month of such taxable year which the corporation elected under subsection (b)(4) to treat as paid in the preceding taxable year,

''(D) the aggregate amount of such dividends which the corporation paid during the period beginning on the 1st day of the taxable year following the reporting taxable year and ending on the 15th day of the 4th month of such following taxable year which the corporation elected under subsection (b)(4) to treat as paid in the reporting taxable year, and

''(E) such other information with respect to such dividends as the Secretary shall require for the administration of this section.

''(2) REPORTING PERIOD; DUE DATE.—For purposes of this subsection—

''(A) REPORTING PERIOD.—The term 'reporting period' means with, respect to any taxable year, the period beginning on the 1st day of the taxable year and ending on the 15th day of the 4th month following the close of the taxable year.

''(B) DUE DATE.—Any return under paragraph (1) with respect to any taxable year shall be included with the return of income tax for such taxable year.''.

(b) PENALTY FOR FAILURE TO REPORT.—Section 6652, as amended by subtitle E of this Act, is amended by adding at the end the following new subsection:

''(r) FAILURE TO FILE RETURNS BY CORPORATIONS ELIGIBLE FOR DIVIDENDS PAID DEDUCTION.—

''(1) PENALTY FOR FAILURE TO FILE RETURN.—In the case of a failure to make a return required under section 242(d) containing the information required by such section by the due date for the return, the eligible corporation shall pay (on notice and demand by the Secretary and in the same manner as tax) a penalty of $1,000 per day for each day such failure continues unless it is shown that such failure is due to reasonable cause. The maximum amount of the penalty under this paragraph with respect to any failure for a taxable year shall not exceed $250,000.

''(2) ELIGIBLE CORPORATION.—For purposes of this subsection, the term 'eligible corporation' has the meaning given such term by section 242(c).''.

(c) DIVIDENDS PAID DEDUCTION ALLOWABLE ONLY IN TAXABLE YEAR OF DIVIDEND PAYMENT.—

(1) IN GENERAL.—Subsection (d) of section 172, as amended by section 11011, is amended by adding at the end the following new paragraph:

''(9) DIVIDENDS PAID DEDUCTION.—The deduction under section 242 shall not be allowed.''.

(2) TREATMENT OF CARRYBACKS AND CARRYOVERS.—Subparagraph (A) of section 172(b)(2), as amended by section 13302, is amended by striking ''and (5)'' and inserting ''(5), and (8)''.

(d) OTHER CONFORMING AMENDMENTS.—Part VIII of subchapter B of chapter 1 is amended—

(1) by striking the table of sections and inserting the following:

''PART VIII—SPECIAL DEDUCTIONS FOR CORPORATIONS

''SUBPART A. ALLOWANCE OF SPECIAL DEDUCTIONS.

''SUBPART B. DIVIDENDS PAID DEDUCTION.

''SUBPART C. DIVIDENDS RECEIVED DEDUCTIONS.

''SUBPART D. OTHER DEDUCTIONS.

''Subpart A—Allowance of Special Deductions

''Sec. 241. Allowance of special deductions.'',

(2) by inserting the following before section 243:

''Subpart C—Dividends Received Deductions

''Sec. 243. Dividends received by corporations.

''Sec. 245. Dividends received from certain foreign corporations.

''Sec. 245A. Deduction for foreign-source portion of dividends received by domestic corporations from specified 10-percent owned foreign corporations.

''Sec. 246. Rules applying to deductions for dividends received.

''Sec. 246A. Dividends received deduction reduced where portfolio stock is debt financed.'', and

(3) by inserting the following before section 248:

''Subpart D—Other Deductions

''Sec. 248. Organizational expenditures.

''Sec. 249. Limitation of deduction of bond premium on repurchase.

''Sec. 250. Foreign-derived intangible income and global intangible low-taxed income.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends paid in taxable years of the payor beginning after December 31, 2020.

SEC. 13012. TAX EQUIVALENT TO DIVIDENDS PAID DEDUCTION FOR CERTAIN FOREIGN CORPORATIONS.

(a) DIVIDENDS PAID DEDUCTION.—Paragraph (1) of section 882(c) is amended by adding at the end the following new subparagraph:

''(C) SPECIAL RULE FOR DIVIDENDS PAID DEDUCTION.—For purposes of subparagraph (A)—

''(i) the deduction under section 242 shall not be allowed for any taxable year, and

''(ii) there shall be allowed, in lieu of such deduction, a deduction in an amount equal to zero percent of the dividend equivalent amount (as defined in section 884(b)) of the foreign corporation for the taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 13013. ALLOCATION OF DIVIDEND EXPENSE AMONG MEMBERS OF WORLDWIDE AFFILIATED GROUPS.

(a) IN GENERAL.—Paragraph (6) of section 864(e) is amended to read as follows:

''(6) ALLOCATION AND APPORTIONMENT OF OTHER EXPENSES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), expenses other than interest which are not directly allocable or apportioned to any specific income producing activity shall be allocated and apportioned as if all members of the affiliated group were a single corporation.

''(B) DIVIDEND EXPENSE.—The dividend expense of any domestic corporation which is a member of an affiliated group shall be allocated and apportioned to income from sources without the United States in the same proportion which—

''(i) the aggregate amount of income treated as from sources without the United States by all domestic corporations which are members of such group (determined without regard to such dividend expense), bears to

''(ii) the aggregate income of all such domestic corporations from sources within and without the United States (as so determined).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2020.

Subpart C—Restoration of Deduction for Personal Exemptions

SEC. 13021. DEDUCTION FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subsection (d) of section 151, as amended by this Act, is further amended—

(1) by striking ''Except as provided in paragraph (5), in the case of'' in paragraph (4) and inserting ''In the case of'', and

(2) by striking paragraph (5).

(b) APPLICATION TO ESTATES AND TRUSTS.—Section 642(b)(2)(C), as amended by this Act, is further amended by striking clause (iii).

(c) EXCEPTION FOR WAGE WITHHOLDING RULES.—Section 3402(a), as amended by this Act, is further amended by striking paragraph (3).

(d) EXCEPTION FOR DETERMINING PROPERTY EXEMPT FROM LEVY.—Section 6334(d), as amended by this Act, is further amended by striking paragraph (4).

(e) PERSONS REQUIRED TO MAKE RETURNS OF INCOME.—Section 6012, as amended by this Act, is further amended by striking subsection (f).

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 13022. OFFSETS.

(a) ADJUSTMENT OF HIGHEST RATE BRACKET.—

(1) JOINT RETURNS.—The last row of the table contained in section 1(j)(2)(A), as added by section 11001(a), is amended to read as follows:

''Over $1,000,000	$301,479, plus 39.6% of the excess over $1,000,000.''.

(2) HEADS OF HOUSEHOLDS.—The last row of the table contained in section 1(j)(2)(B), as added by section 11001(a), is amended to read as follows:

''Over $500,000	$149,348, plus 39.6% of the excess over $500,000.''.

(3) UNMARRIED INDIVIDUALS.—The last row of the table contained in section 1(j)(2)(C), as added by section 11001(a), is amended to read as follows:

''Over $500,000	$150,739.50, plus 39.6% of the excess over $500,000.''.

(4) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The last row of the table contained in section 1(j)(2)(D), as added by section 11001(a), is amended to read as follows:

''Over $500,000	$150,739.50, plus 39.6% of the excess over $500,000.''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

(b) EXPANDED TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.—Section 965, as amended by section 14103 of this Act, is further amended to read as follows:

''SEC. 965. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION SYSTEM OF TAXATION.

''(a) TREATMENT OF DEFERRED FOREIGN INCOME AS SUBPART F INCOME.—In the case of the last taxable year of a deferred foreign income corporation which begins before January 1, 2020—

''(1) all property of such foreign corporation shall be treated as sold on the last day of such taxable year for its fair market value, and, notwithstanding any other provision of this title, any gain or loss arising from such sale shall be taken into account for such taxable year to the extent otherwise provided by this title (except that section 1091 shall not apply to any such loss), and

''(2) the subpart F income of such foreign corporation (as otherwise determined for such taxable year under section 952 without regard to this paragraph and after application of paragraph (1)) shall be increased by the accumulated post-1986 deferred foreign income of such corporation determined as of the close of such taxable year.

Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under paragraph (1).

''(b) REDUCTION IN TAX RATE.—In the case of a United States shareholder of a deferred foreign income corporation, there shall be allowed as a deduction for the taxable year in which an amount is included in the gross income of such United States shareholder under section 951(a)(1) by reason of subsection (a)(2) an amount equal to 43 percent of the amount so included in income.

''(c) ACCUMULATED POST-1986 DEFERRED FOREIGN INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'accumulated post-1986 deferred foreign income' means the post-1986 earnings and profits except to the extent such earnings—

''(A) are attributable to income of the deferred foreign income corporation which is effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter,

''(B) if distributed, would be excluded from the gross income of a United States shareholder under section 959, or

''(C) in the case of any deferred foreign income corporation described in subsection (d)(1)(B) and which is a passive foreign investment company (as defined in section 1297)—

''(i) if distributed, would have been treated as a distribution which is not a dividend, or

''(ii) would have been properly attributable to an unreversed inclusion of a United States person under section 1296.

To the extent provided in regulations or other guidance prescribed by the Secretary, in the case of any controlled foreign corporation which has shareholders which are not United States shareholders, accumulated post-1986 deferred foreign income shall be appropriately reduced by amounts which would be described in subparagraph (B) if such shareholders were United States shareholders. Such regulations or other guidance may provide a similar rule for purposes of subparagraph (C).

''(2) POST-1986 EARNINGS AND PROFITS.—The term 'post-1986 earnings and profits' means the earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 1986, and determined—

''(A) as of the close the taxable year referred to in subsection (a) and after application of subsection (a)(1), and

''(B) without diminution by reason of dividends distributed during such taxable year.

''(d) DEFERRED FOREIGN INCOME CORPORATION.—

''(1) IN GENERAL.—For purposes of this section, the term 'deferred foreign income corporation' means—

''(A) any controlled foreign corporation, and

''(B) any section 902 corporation (as defined in section 909(d)(5) as in effect before the date of the enactment of the Tax Cuts and Jobs Act).

''(2) APPLICATION TO SECTION 902 CORPORATIONS.—

''(A) IN GENERAL.—For purposes of section 951, a section 902 corporation (as so defined) shall be treated as a controlled foreign corporation solely for purposes of taking into account the subpart F income of such corporation under subsection (a), making proper adjustments in the amount of subsequent gains or losses to reflect such gains and losses (including through application of section 961), and applying subsection (f).

''(B) UNITED STATES SHAREHOLDER.—For purposes of this section and the application of subparagraph (A), in the case of a section 902 corporation (as so defined), a shareholder which is a domestic corporation which owns 10 percent or more of the voting stock of such section 902 corporation shall be treated as a United States shareholder.

''(e) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

''(1) IN GENERAL.—No credit shall be allowed under section 901 for the applicable percentage of the taxes paid or accrued (or treated as paid or accrued) with respect to any amount which is included in gross income under section 951(a) by reason of subsection (a).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is the amount (expressed as a percentage) equal to 0.43 multiplied by the ratio of—

''(A) the amount included in gross income under section 951(a) by reason of subsection (a)(2), to

''(B) the amount included in gross income under section 951(a) by reason of subsection (a).

''(3) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for the portion of any tax for which credit is not allowable under section 901 by reason of paragraph (1) (determined by treating the taxpayer as having elected the benefits of subpart A of part III of subchapter N).

''(4) COORDINATION WITH SECTION 78.—Section 78 shall not apply to any tax for which credit is not allowable under section 901 by reason of paragraph (1).

''(f) ELECTION TO PAY LIABILITY IN INSTALLMENTS.—

''(1) IN GENERAL.—In the case of a United States shareholder of a deferred foreign income corporation, such United States shareholder may elect to pay the net tax liability under this section in 8 installments of the following amounts:

''(A) 8 percent of the net tax liability in the case of each of the first 5 of such installments,

''(B) 15 percent of the net tax liability in the case of the 6th such installment,

''(C) 20 percent of the net tax liability in the case of the 7th such installment, and

''(D) 25 percent of the net tax liability in the case of the 8th such installment.

''(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year described in subsection (a) and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

''(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to pay timely assessed with respect to any installment required under this subsection, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed). The preceding sentence shall not apply to the sale of substantially all the assets of a taxpayer to a buyer if such buyer enters into an agreement with the Secretary under which such buyer is liable for the remaining installments due under this subsection in the same manner as if such buyer were the taxpayer.

''(4) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under paragraph (1) to pay the net tax liability under this section in installments and a deficiency has been assessed with respect to such net tax liability, the deficiency shall be prorated to the installments payable under paragraph (1). The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at

the same time as, and as a part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

''(5) ELECTION.—Any election under paragraph (1) shall be made not later than the due date for the return of tax for the taxable year described in subsection (a) and shall be made in such manner as the Secretary may provide.

''(6) NET TAX LIABILITY UNDER THIS SECTION.—For purposes of this subsection—

''(A) IN GENERAL.—The net tax liability under this section with respect to any United States shareholder is the excess (if any) of—

''(i) such taxpayer's net income tax for the taxable year described in subsection (a), over

''(ii) such taxpayer's net income tax for such taxable year determined without regard to this section.

''(B) NET INCOME TAX.—The term 'net income tax' means the regular tax liability reduced by the credits allowed under subparts A, B, and D of part IV of subchapter A.

''(g) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including rules to disregard any transfer of properties or liabilities (including by contribution and distribution) a substantial purpose of which is the avoidance of the purposes of this section.''.

SA 1774. Mr. UDALL submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. POINT OF ORDER AGAINST LEGISLATION THAT WOULD REDUCE MINERAL PAYMENTS TO STATES.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would result in a reduction of mineral payments to States from energy and solid mineral production under the Mineral Leasing Act (30 U.S.C. 181 et seq.) and offshore mineral development on the outer Continental Shelf under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.).

(b) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

SA 1775. Mr. MENENDEZ (for himself and Mr. NELSON) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ECONOMIC GROWTH AND FAIRNESS FOR PUERTO RICO.

(a) PUERTO RICO RESIDENTS ELIGIBLE FOR EARNED INCOME TAX CREDIT.—

(1) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(n) RESIDENTS OF PUERTO RICO.—

''(1) IN GENERAL.—In the case of residents of Puerto Rico—

''(A) the United States shall be treated as including Puerto Rico for purposes of subsections (c)(1)(A)(ii)(I) and (c)(3)(C),

''(B) subsection (c)(1)(D) shall not apply to nonresident alien individuals who are residents of Puerto Rico, and

''(C) adjusted gross income and gross income shall be computed without regard to section 933 for purposes of subsections (a)(2)(B) and (c)(2)(A)(i).

''(2) LIMITATION.—The credit allowed under this section by reason of this subsection for any taxable year shall not exceed the amount, determined under regulations or other guidance promulgated by the Secretary, that a similarly situated taxpayer would receive if residing in a State.''.

(2) CHILD TAX CREDIT NOT REDUCED.—Subclause (II) of section 24(d)(1)(B)(ii) of such Code is amended by inserting before the period ''(determined without regard to section 32(n) in the case of residents of Puerto Rico)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2016.

(b) EQUITABLE TREATMENT FOR RESIDENTS OF PUERTO RICO WITH RESPECT TO THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.—

(1) IN GENERAL.—Section 24(d)(1) of the Internal Revenue Code of 1986 is amended by inserting ''or section 933'' after ''section 112''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2016.

(c) PERMANENT SECTION 199 MANUFACTURING CREDIT.—

(1) RESTORING MANUFACTURING CREDIT.—This Act is amended by striking section 13305.

(2) MAKING PUERTO RICO TREATMENT PERMANENT.—Section 199(d)(8) of the Internal Revenue Code of 1986 is amended by striking subparagraph (C).

(d) RUM COVER OVER.—

(1) IN GENERAL.—Section 7652(f)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

''(1) $13.50, or''.

(2) TRANSFER OF REVENUE TO PUERTO RICO CONSERVATION TRUST.—Section 7652(e) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1), by striking ''All taxes collected'' and inserting ''Except as provided in paragraph (5), all taxes collected''; and

(B) by adding at the end the following:

''(5) PUERTO RICO CONSERVATION TRUST.—Out of any amounts that would otherwise be covered into the treasury of Puerto Rico under this subsection for taxes collected under section 5001(a)(1) on rum imported into the United States, an amount equal to $0.46 for each proof gallon of such rum shall be transferred to the Puerto Rico Conversation Trust.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distilled spirits brought into the United States after December 31, 2016.

SA 1776. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. TREATMENT OF CERTAIN UNPOPULATED CENSUS TRACTS UNDER NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Section 45D(e)(4)(A) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''is within'' and inserting ''is—

''(i) within'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following new clause:

''(ii) a census tract with a population of zero, and''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after the date of the enactment of this Act.

SA 1777. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13532 and insert the following:

SEC. 13532. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—Paragraph (3) of section 146(g) of the Internal Revenue Code of 1986 is amended by inserting ''(4), (5),'' after ''(2),''.

(b) CONFORMING CHANGE.—Paragraphs (2) and (3)(B) of section 146(k) of the Internal Revenue Code of 1986 are both amended by striking ''(4), (5), (6),'' and inserting ''(6)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SA 1778. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. JOB TRAINING TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 45S. JOB TRAINING CREDIT.

''(a) IN GENERAL.—For the purposes of section 38, the job training credit determined under this section for the taxable year is an amount equal to 100 percent of the qualified training expenses paid by the qualifying taxpayer during the taxable year.

''(b) LIMITATION.—The credit allowed under subsection (a) with respect to any eligible trainee of the qualifying taxpayer shall not exceed the excess (if any) of $4,000 over the aggregate credit allowed to such taxpayer under this section with respect to such eligible trainee for all prior taxable years.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED TRAINING EXPENSES.—

''(A) IN GENERAL.—The term 'qualified training expenses' means, with respect to

any eligible trainee of the qualifying taxpayer, expenses paid or incurred by such taxpayer for qualified tuition costs of such eligible trainee.

''(B) QUALIFIED TUITION COSTS.—The term 'qualified tuition costs' means costs for books and enrollment in a training program at a qualified educational organization, the outcome of which, if completed, will provide the eligible trainee a certificate or credential recognized by a State accrediting body, Federal Apprenticeship Agency, or any other national accrediting body recognized by the Department of Education as an independent, third-party accrediting body. Such training program—

''(i) may include a single course, multiple courses, or a combination of work training and study, and

''(ii) must be reasonably necessary for employment with the qualifying taxpayer.

''(C) QUALIFIED EDUCATIONAL ORGANIZATION.—The term 'qualified educational organization' means any educational organization described in section 101 of the Higher Education Act of 1965.

''(2) QUALIFYING TAXPAYER.—The term 'qualifying taxpayer' means any taxpayer who—

''(A) with respect to any eligible trainee, is training and hiring individuals for positions based in the United States, and

''(B) provides, with respect to any eligible trainee, such documentation as required by the Secretary regarding qualified training expenses and proof of unemployment status as described in paragraph (3)(A).

''(3) ELIGIBLE TRAINEE.—The term 'eligible trainee' means any individual who—

''(A) has been unemployed for at least 90 days before the date of enrollment in a training program described in paragraph (1)(B), and

''(B) had not been employed by the qualifying taxpayer at any time during the 2-year period preceding the date on which such trainee was hired.

''(d) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any qualified training expense for which a deduction or other credit is allowed to the taxpayer under any other provision of this chapter.

''(2) AGGREGATION.—For purposes of this section, all persons treated as a single employer under subsection (a) or (b) or section 52, or subsection (m) or (o) of section 414, shall be treated as one person.

''(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect (at such time and in such manner as the Secretary may by regulations prescribe) to have this section not apply for any taxable year.

''(f) TERMINATION.—This section shall not apply to expenses paid after December 31, 2028.''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 is amended by striking ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following new paragraph:

''(37) the job training credit determined under section 45S(a).''.

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—Section 38(c)(4)(B) of the Internal Revenue Code of 1986 is amended by redesignating clauses (ix), (x), and (xi) as clauses (x), (xi), and (xii), respectively, and by inserting after clause (viii) the following new clause:

''(ix) the credit determined under section 45S,''.

(d) TECHNICAL AMENDMENT.—Section 6501(m) of the Internal Revenue Code of 1986 is amended by inserting ''45S(e),'' after ''45H(g),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45S. Job training credit.''.

(f) REPORT.—Not later than January 1, 2027, the Secretary of the Treasury (or the Secretary's delegate) shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the economic impact of the job training credit under section 45S of the Internal Revenue Code of 1986 (as added under subsection (a)).

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to expenses paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

(2) MINIMUM TAX.—The amendments made by subsection (c) shall apply to credits determined under section 45S of the Internal Revenue Code of 1986 in taxable years ending after the date of the enactment of this Act, and to carrybacks of such credits.

SEC. ___. QUALIFIED JOB TRAINING PARTNERSHIP CREDIT.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 48D the following new section:

''SEC. 48E. QUALIFIED JOB TRAINING PARTNERSHIP CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the Qualified Job Training Partnership credit for any taxable year is an amount equal to the percentage determined by the Secretary (not to exceed 100 percent) of the qualified investment for such taxable year with respect to any Qualified Job Training Partnership.

''(b) QUALIFIED INVESTMENT.—

''(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the aggregate amount of the costs paid or incurred in such taxable year for expenses necessary for and directly related to the conduct of a Qualified Job Training Partnership in the form of contributions of cash, cash equivalent, equipment, or any combination of the three where 100 percent of the investment is used for the planning, implementation, or operation of a Qualified Job Training Partnership and the training financed through the investment must result in a type of certificate or credential recognized by a State accrediting body, Federal Apprenticeship Agency, or any other national accrediting body recognized by the Department of Education as an independent, third-party accrediting body.

''(2) LIMITATION.—The amount which is treated as qualified investment for all taxable years with respect to any Qualified Job Training Partnership shall not exceed the amount certified by the Secretary as eligible for the credit under this section.

''(3) EXCLUSIONS.—The qualified investment for any taxable year with respect to any Qualified Job Training Partnership shall not take into account any cost for student tuition or for any other expense as determined by the Secretary as appropriate to carry out the purposes of this section.

''(4) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—In the case of costs described in paragraph (1) that are paid for property of a character subject to an allowance for depreciation, rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

''(c) QUALIFIED JOB TRAINING PARTNERSHIP.—

''(1) IN GENERAL.—The term 'Qualified Job Training Partnership' means a formal or informal partnership between at least 1 eligible private business employer and—

''(A) 1 qualified educational institution, or

''(B) 1 labor organization (as defined in section 2(5) of the National Labor Relations Act),

where the stated goal of the partnership is to train students in job-ready skills.

''(2) ELIGIBLE PRIVATE BUSINESS EMPLOYER.—The term 'eligible private business employer' means—

''(A) a business entity at least 50 percent of the gross income of which is derived from qualified production activities (within the meaning of section 199(c)), or

''(B) any type of domestic business entity the average number of employees of which for any taxable year is not more than 500 employees.

''(3) QUALIFIED EDUCATIONAL ORGANIZATION.—The term 'qualified educational organization' means any educational organization described in section 101 of the Higher Education Act of 1965 which provides a 2-year program that culminates in an associate degree.

''(d) QUALIFIED JOB TRAINING PARTNERSHIP PROGRAM.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—Not later than 60 days after the date of the enactment of this section, the Secretary, in consultation with the Secretary of Labor, shall establish a Qualified Job Training Partnership program to consider and award certifications for qualified investments eligible for credits under this section to Qualified Job Training Partnerships.

''(B) LIMITATION.—The total amount of credits that may be allocated under the program shall not exceed $1,000,000,000.

''(2) CERTIFICATION.—

''(A) APPLICATION PERIOD.—Each applicant for certification under this paragraph shall submit an application containing such information as the Secretary may require during the period beginning on the date the Secretary establishes the program under paragraph (1).

''(B) TIME FOR REVIEW OF APPLICATIONS.—The Secretary shall take action to approve or deny any application under subparagraph (A) within 30 days of the submission of such application.

''(C) MULTI-YEAR APPLICATIONS.—An application for certification under subparagraph (A) may include a request for an allocation of credits for more than 1 year.

''(3) SELECTION CRITERIA.—In determining the Qualified Job Training Partnerships with respect to which qualified investments may be certified under this section, the Secretary—

''(A) shall give priority to those applications which demonstrate—

''(i) the greatest probability that those who complete the program will secure employment,

''(ii) the greatest potential for providing workers who complete the program with skills that can provide long-term job and income security,

''(iii) the strongest market demand for the type of training offered,

''(iv) the greatest probability that the program would create a net increase in job training opportunities,

''(v) a strong need in the community for skills training,

''(vi) the ability to allow nontraditional learners to complete the training, and

''(vii) the ability and capacity to implement the program in a reasonable period of time, and

''(B) shall take into additional consideration which applications show—

''(i) the ability to leverage additional sources of capital, and

''(ii) the greatest ability to offer training programs that result in a certificate or credential (within the meaning of subsection (b)(1)) that is stackable or portable or both.

''(4) REVIEW AND ADDITIONAL ALLOCATION.—

''(A) REVIEW.—Not later than 1 year after the date of enactment of this section, the Secretary shall review the credits allocated under this section as of such date.

''(B) ADDITIONAL ALLOCATION.—If the Secretary determines at the time of the review that credits under this section are available for allocation pursuant to the requirements set forth in paragraph (2), the Secretary is authorized to allocate such available credits through the conduct of an additional program or programs for applications for certification.

''(5) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making a certification under this subsection, publicly disclose the identity of the applicant and the amount of the credit with respect to such applicant.

''(e) SPECIAL RULES.—

''(1) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for an expenditure related to property of a character subject to an allowance for depreciation, the basis of such property shall be reduced by the amount of such credit.

''(2) DENIAL OF DOUBLE BENEFIT.—

''(A) BONUS DEPRECIATION.—A credit shall not be allowed under this section for any investment for which bonus depreciation is allowed under section 168(k), 1400L(b)(1), or 1400N(d)(1).

''(B) DEDUCTIONS.—No deduction under this subtitle shall be allowed for the portion of the expenses otherwise allowable as a deduction taken into account in determining the credit under this section for the taxable year which is equal to the amount of the credit determined for such taxable year under subsection (a) attributable to such portion. This subparagraph shall not apply to expenses related to property of a character subject to an allowance for depreciation the basis of which is reduced under paragraph (1), or which are described in section 280C(g).''.

(b) INCLUSION AS PART OF INVESTMENT CREDIT.—Section 46 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''and'' at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting '', and''; and

(3) by adding at the end the following new paragraph:

''(7) the Qualified Job Training Partnership credit.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 49(a)(1)(C) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''and'' at the end of clause (v);

(B) by striking the period at the end of clause (vi) and inserting '', and''; and

(C) by adding at the end the following new clause:

''(vii) the basis of any property to which paragraph (1) of section 48E(e) applies which is part of a Qualified Job Training Partnership under such section 48E.''.

(2) Section 280C of such Code is amended by adding at the end the following new subsection:

''(j) QUALIFIED JOB TRAINING PARTNERSHIP CREDIT.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified investment (as defined in section 48E(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 48E(a), reduced by—

''(A) the amount disallowed as a deduction by reason of section 48E(e)(2)(B), and

''(B) the amount of any basis reduction under section 48E(e)(1).

''(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—In the case of expenses described in paragraph (1)(A) taken into account in determining the credit under section 48E for the taxable year, if—

''(A) the amount of the portion of the credit determined under such section with respect to such expenses, exceeds

''(B) the amount allowable as a deduction for such taxable year for such expenses (determined without regard to paragraph (1)),

the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

''(3) CONTROLLED GROUPS.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection.''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 48D the following new item:

''Sec. 48E. Qualified Job Training Partnership credit.''.

(e) GRANTS FOR QUALIFIED INVESTMENTS IN QUALIFIED JOB TRAINING PARTNERSHIPS IN LIEU OF TAX CREDITS.—

(1) IN GENERAL.—Upon application, the Secretary of the Treasury shall, subject to the requirements of this subsection, provide a grant to each person who makes a qualified investment in a Qualified Job Training Partnership in an amount not to exceed 100 percent of such investment.

(2) APPLICATION.—

(A) IN GENERAL.—At the stated election of the applicant, an application for certification under section 48E(d)(2) of the Internal Revenue Code of 1986 for a credit under such section for any taxable year shall be considered to be an application for a grant under paragraph (1) for such taxable year.

(B) SUBMISSION DATE.—An application for a grant under paragraph (1) for any taxable year shall be submitted—

(i) not earlier than the day after the last day of such taxable year; and

(ii) not later than the due date (including extensions) for filing the return of tax for such taxable year.

(C) INFORMATION TO BE SUBMITTED.—An application for a grant under paragraph (1) shall include such information and be in such form as the Secretary of the Treasury may require to state the amount of the credit allowable (but for the receipt of a grant under this subsection) under section 48E for the taxable year for the qualified investment with respect to which such application is made.

(3) TIME FOR PAYMENT OF GRANT.—

(A) IN GENERAL.—The Secretary of the Treasury shall make payment of the amount of any grant under paragraph (1) during the 30-day period beginning on the later of—

(i) the date of the application for such grant; or

(ii) the date the qualified investment for which the grant is being made is made.

(B) REGULATIONS.—In the case of investments of an ongoing nature, the Secretary of the Treasury shall issue regulations to determine the date on which a qualified investment shall be deemed to have been made for purposes of this paragraph.

(4) QUALIFIED INVESTMENT.—For purposes of this subsection, the term ''qualified investment'' means a qualified investment that is certified under section 48E(d) of the Internal Revenue Code of 1986 for purposes of the credit under such section 48E.

(5) APPLICATION OF CERTAIN RULES.—

(A) IN GENERAL.—In making grants under this subsection, the Secretary of the Treasury shall apply rules similar to the rules of section 50 of the Internal Revenue Code of 1986. In applying such rules, any increase in tax under chapter 1 of such Code by reason of an investment ceasing to be a qualified investment shall be imposed on the person to whom the grant was made.

(B) SPECIAL RULES.—

(i) RECAPTURE OF EXCESSIVE GRANT AMOUNTS.—If the amount of a grant made under this subsection exceeds the amount allowable as a grant under this subsection, such excess shall be recaptured under subparagraph (A) as if the investment to which such excess portion of the grant relates had ceased to be a qualified investment immediately after such grant was made.

(ii) GRANT INFORMATION NOT TREATED AS RETURN INFORMATION.—In no event shall the amount of a grant made under paragraph (1), the identity of the person to whom such grant was made, or a description of the investment with respect to which such grant was made be treated as return information for purposes of section 6103 of the Internal Revenue Code of 1986.

(6) SECRETARY.—Any reference in this subsection to the Secretary of the Treasury shall be treated as including the Secretary's delegate.

(7) OTHER TERMS.—Any term used in this subsection which is also used in section 48E of the Internal Revenue Code of 1986 shall have the same meaning for purposes of this subsection as when used in such section.

(8) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under section 46(7) of the Internal Revenue Code of 1986 by reason of section 48E of such Code for any investment for which a grant is awarded under this subsection.

(9) APPROPRIATIONS.—There is hereby appropriated to the Secretary of the Treasury such sums as may be necessary to carry out this subsection.

(f) EFFECTIVE DATE.—The amendments made by subsections (a) through (d) of this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years beginning after such date.

SA 1779. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MODIFICATION OF TREATMENT OF STUDENT LOAN FORGIVENESS.

(a) IN GENERAL.—Section 108(f) of the Internal Revenue Code of 1986 is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

''(1) IN GENERAL.—In the case of an individual, gross income does not include any amount which (but for this subsection) would be includible in gross income by reasons of the discharge (in whole or in part) of—

''(A) any loan provided expressly for post-secondary educational expenses, regardless of whether provided through the educational institution or directly to the borrower, if such loan was made by—

''(i) the United States, or an instrumentality or agency thereof,

''(ii) a State, territory, or possession of the United States, or the District of Columbia, or any political subdivision thereof, or

''(iii) any institution of higher education,

''(B) any private education loan (as defined in section 140(a) of the Truth in Lending Act),

''(C) any loan made by any educational organization described in section 170(b)(1)(A)(ii) if such loan is made—

''(i) pursuant to an agreement with any entity described in subparagraph (A) or any private education lender (as defined in section 140(a) of the Truth in Lending Act) under which the funds from which the loan was made were provided to such educational organization, or

''(ii) pursuant to a program of such educational organization which is designed to encourage its students to serve in occupations with unmet needs or in areas with unmet needs and under which the services provided by the students (or former students) are for or under the direction of a governmental unit or an organization described in section 501(c)(3) and exempt from tax under section 501(a), or

''(D) any loan made by an educational organization described in section 170(b)(1)(A)(ii) or by an organization exempt from tax under section 501(a) to refinance a loan to an individual to assist the individual in attending any such educational organization but only if the refinancing loan is pursuant to a program of the refinancing organization which is designed as described in subparagraph (C)(ii).'',

(2) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and

(3) in paragraph (2), as so redesignated, by—

(A) striking ''made by an organization described in paragraph (2)(D)'' and inserting ''made by an organization described in paragraph (1)(C) or made by a private education lender (as defined in section 140(a) of the Truth in Lending Act)'', and

(B) inserting ''or for such private education lender'' after ''either such organization''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of loans after December 31, 2017.

SA 1780. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SUNSET.

If for any year beginning after December 31, 2017, the Director of the Congressional Budget Office determines that State and local spending on education or law enforcement has decreased from the amount of such spending for the prior year, this Act and the amendments made by this Act are repealed and shall not apply for that year and any succeeding year, and any provision of law amended by this Act shall be applied as if such amendments had not been enacted.

SA 1781. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 11042 add the following:

(c) TERMINATION OF SUSPENSION.—If for any taxable year beginning after December 31, 2017, and before January 1, 2026, the Director of the Congressional Budget Office determines that State and local spending on first responders has decreased from the amount of such spending for the prior taxable year, subsection (b) of section 164 of the Internal Revenue Code of 1986 shall be amended to read as if the amendment made by subsection (a) had not been enacted.

SA 1782. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 11042 add the following:

(c) TERMINATION OF SUSPENSION.—If for any taxable year beginning after December 31, 2017, and before January 1, 2026, the Director of the Congressional Budget Office determines that State and local spending on law enforcement has decreased from the amount of such spending for the prior taxable year, subsection (b) of section 164 of the Internal Revenue Code of 1986 shall be amended to read as if the amendment made by subsection (a) had not been enacted.

SA 1783. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 11042 add the following:

(c) TERMINATION OF SUSPENSION.—If for any taxable year beginning after December 31, 2017, and before January 1, 2026, the Director of the Congressional Budget Office determines that State and local spending on education has decreased from the amount of such spending for the prior taxable year, subsection (b) of section 164 of the Internal Revenue Code of 1986 shall be amended to read as if the amendment made by subsection (a) had not been enacted.

SA 1784. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 11042 add the following:

(c) TERMINATION OF SUSPENSION.—If for any taxable year beginning after December 31, 2017, and before January 1, 2026, the Director of the Congressional Budget Office determines that State and local spending on education or law enforcement has decreased from the amount of such spending for the prior taxable year, subsection (b) of section 164 of the Internal Revenue Code of 1986 shall be amended to read as if the amendment made by subsection (a) had not been enacted.

SA 1785. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 11042 add the following:

(c) TERMINATION OF SUSPENSION.—If for any taxable year beginning after December 31, 2017, and before January 1, 2026, the Director of the Congressional Budget Office determines with respect to any State that in the prior taxable year received less in Federal benefits than the residents of the State paid in Federal taxes, that the difference between such benefits and Federal taxes increased, subsection (b) of section 164 of the Internal Revenue Code of 1986 shall be amended to read as if the amendment made by subsection (a) had not been enacted.

SA 1786. Mr. MENENDEZ (for himself and Mr. BOOKER) submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 11042.

SA 1787. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 13001 add the following:

(e) REPEAL OF CORPORATE RATE REDUCTION.—If the Director of the Congressional Budget Office determines that average wages in the United States do not increase by at least 5 percent in the first year that begins after the enactment of this Act, the provisions of the Internal Revenue Code of 1986 which are amended by subsections (a) and (b) shall each be amended to read as if the amendments made by such subsections had not been enacted and subsections (c) and (d) shall be null and void.

SA 1788. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant

to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 13001 add the following:

(e) REPEAL OF CORPORATE RATE REDUCTION.—If the Director of the Congressional Budget Office determines that average wages in the United States do not increase by at least 3 percent in the first year that begins after the enactment of this Act, the provisions of the Internal Revenue Code of 1986 which are amended by subsections (a) and (b) shall each be amended to read as if the amendments made by such subsections had not been enacted and subsections (c) and (d) shall be null and void.

SA 1789. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of section 13001 add the following:

(e) REPEAL OF CORPORATE RATE REDUCTION.—If the Director of the Congressional Budget Office determines that average wages in the United States decrease in the first year that begins after the enactment of this Act, the provisions of the Internal Revenue Code of 1986 which are amended by subsections (a) and (b) shall each be amended to read as if the amendments made by such subsections had not been enacted and subsections (c) and (d) shall be null and void.

SA 1790. Mr. MENENDEZ (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

DIVISION—CLOSE BIG OIL TAX LOOPHOLES ACT

SEC. _00. SHORT TITLE.

This division may be cited as the ''Close Big Oil Tax Loopholes Act''.

TITLE I—CLOSE BIG OIL TAX LOOPHOLES

SEC. _01. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO MAJOR INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) SPECIAL RULES RELATING TO MAJOR INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is a major integrated oil company (within the meaning of section 167(h)(5)) to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. _02. LIMITATION ON SECTION 199 DEDUCTION ATTRIBUTABLE TO OIL, NATURAL GAS, OR PRIMARY PRODUCTS THEREOF.

(a) DENIAL OF DEDUCTION.—Paragraph (4) of section 199(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(E) SPECIAL RULE FOR CERTAIN OIL AND GAS INCOME.—In the case of any taxpayer who is a major integrated oil company (within the meaning of section 167(h)(5)) for the taxable year, the term 'domestic production gross receipts' shall not include gross receipts from the production, refining, processing, transportation, or distribution of oil, gas, or any primary product (within the meaning of subsection (d)(9)) thereof.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. _03. LIMITATION ON DEDUCTION FOR INTANGIBLE DRILLING AND DEVELOPMENT COSTS; AMORTIZATION OF DISALLOWED AMOUNTS.

(a) IN GENERAL.—Section 263(c) of the Internal Revenue Code of 1986 is amended to read as follows:

''(c) INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL WELLS.—

''(1) IN GENERAL.—Notwithstanding subsection (a), and except as provided in subsection (i), regulations shall be prescribed by the Secretary under this subtitle corresponding to the regulations which granted the option to deduct as expenses intangible drilling and development costs in the case of oil and gas wells and which were recognized and approved by the Congress in House Concurrent Resolution 50, Seventy-ninth Congress. Such regulations shall also grant the option to deduct as expenses intangible drilling and development costs in the case of wells drilled for any geothermal deposit (as defined in section 613(e)(2)) to the same extent and in the same manner as such expenses are deductible in the case of oil and gas wells. This subsection shall not apply with respect to any costs to which any deduction is allowed under section 59(e) or 291.

''(2) EXCLUSION.—

''(A) IN GENERAL.—This subsection shall not apply to amounts paid or incurred by a taxpayer in any taxable year in which such taxpayer is a major integrated oil company (within the meaning of section 167(h)(5)).

''(B) AMORTIZATION OF AMOUNTS NOT ALLOWABLE AS DEDUCTIONS UNDER SUBPARAGRAPH (A).—The amount not allowable as a deduction for any taxable year by reason of subparagraph (A) shall be allowable as a deduction ratably over the 60-month period beginning with the month in which the costs are paid or incurred. For purposes of section 1254, any deduction under this subparagraph shall be treated as a deduction under this subsection.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2017.

SEC. _04. LIMITATION ON PERCENTAGE DEPLETION ALLOWANCE FOR OIL AND GAS WELLS.

(a) IN GENERAL.—Section 613A of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) APPLICATION WITH RESPECT TO MAJOR INTEGRATED OIL COMPANIES.—In the case of any taxable year in which the taxpayer is a major integrated oil company (within the meaning of section 167(h)(5)), the allowance for percentage depletion shall be zero.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. _05. LIMITATION ON DEDUCTION FOR TERTIARY INJECTANTS.

(a) IN GENERAL.—Section 193 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) APPLICATION WITH RESPECT TO MAJOR INTEGRATED OIL COMPANIES.—

''(1) IN GENERAL.—This section shall not apply to amounts paid or incurred by a taxpayer in any taxable year in which such taxpayer is a major integrated oil company (within the meaning of section 167(h)(5)).

''(2) AMORTIZATION OF AMOUNTS NOT ALLOWABLE AS DEDUCTIONS UNDER PARAGRAPH (1).—The amount not allowable as a deduction for any taxable year by reason of paragraph (1) shall be allowable as a deduction ratably over the 60-month period beginning with the month in which the costs are paid or incurred.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2017.

SEC. _06. MODIFICATION OF DEFINITION OF MAJOR INTEGRATED OIL COMPANY.

(a) IN GENERAL.—Paragraph (5) of section 167(h) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) CERTAIN SUCCESSORS IN INTEREST.—For purposes of this paragraph, the term 'major integrated oil company' includes any successor in interest of a company that was described in subparagraph (B) in any taxable year, if such successor controls more than 50 percent of the crude oil production or natural gas production of such company.''.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Subparagraph (B) of section 167(h)(5) of the Internal Revenue Code of

1986 is amended by inserting ''except as provided in subparagraph (C),'' after ''For purposes of this paragraph,''.

(2) TAXABLE YEARS TESTED.—Clause (iii) of section 167(h)(5)(B) of such Code is amended—

(A) by striking ''does not apply by reason of paragraph (4) of section 613A(d)'' and inserting ''did not apply by reason of paragraph (4) of section 613A(d) for any taxable year after 2004'', and

(B) by striking ''does not apply'' in subclause (II) and inserting ''did not apply for the taxable year''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.

TITLE II—OUTER CONTINENTAL SHELF OIL AND NATURAL GAS

SEC. __01. REPEAL OF OUTER CONTINENTAL SHELF DEEP WATER AND DEEP GAS ROYALTY RELIEF.

(a) IN GENERAL.—Sections 344 and 345 of the Energy Policy Act of 2005 (42 U.S.C. 15904, 15905) are repealed.

(b) ADMINISTRATION.—The Secretary of the Interior shall not be required to provide for royalty relief in the lease sale terms beginning with the first lease sale held on or after the date of enactment of this Act for which a final notice of sale has not been published.

TITLE III—MISCELLANEOUS

SEC. __01. DEFICIT REDUCTION.

The net amount of any savings realized as a result of the enactment of this division and the amendments made by this division (after any expenditures authorized by this division and the amendments made by this division) shall be deposited in the Treasury and used for Federal budget deficit reduction or, if there is no Federal budget deficit, for reducing the Federal debt in such manner as the Secretary of the Treasury considers appropriate.

SEC. __02. BUDGETARY EFFECTS.

The budgetary effects of this division, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this division, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SA 1791. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

DIVISION __—NATIONAL DISASTER TAX RELIEF ACT

SEC. __00. SHORT TITLE.

This division may be cited as the ''National Disaster Tax Relief Act of 2015''.

TITLE I—TAX RELIEF RELATING TO DISASTERS IN 2012, 2013, 2014, AND 2015

SEC. __01. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 198 the following:

''SEC. 198A. EXPENSING OF QUALIFIED DISASTER EXPENSES.

''(a) IN GENERAL.—A taxpayer may elect to treat any qualified disaster expenses which are paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expense which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

''(b) QUALIFIED DISASTER EXPENSE.—For purposes of this section, the term 'qualified disaster expense' means any expenditure—

''(1) which is paid or incurred in connection with a trade or business or with business-related property,

''(2) which is—

''(A) for the abatement or control of hazardous substances that were released on account of a federally declared disaster occurring during the period beginning—

''(i) after December 31, 2007, and before January 1, 2010, or

''(ii) after December 31, 2011, and before January 1, 2016,

''(B) for the removal of debris from, or the demolition of structures on, real property which is business-related property damaged or destroyed as a result of a federally declared disaster occurring during any such period, or

''(C) for the repair of business-related property damaged as a result of a federally declared disaster occurring during any such period, and

''(3) which is otherwise chargeable to capital account.

''(c) OTHER DEFINITIONS.—For purposes of this section—

''(1) BUSINESS-RELATED PROPERTY.—The term 'business-related property' means property—

''(A) held by the taxpayer for use in a trade or business or for the production of income, or

''(B) described in section 1221(a)(1) in the hands of the taxpayer.

''(2) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' has the meaning given such term by section 165(i)(5)(A).

''(d) DEDUCTION RECAPTURED AS ORDINARY INCOME ON SALE, ETC.—Solely for purposes of section 1245, in the case of property to which a qualified disaster expense would have been capitalized but for this section—

''(1) the deduction allowed by this section for such expense shall be treated as a deduction for depreciation, and

''(2) such property (if not otherwise section 1245 property) shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.

''(e) COORDINATION WITH OTHER PROVISIONS.—Sections 198, 280B, and 468 shall not apply to amounts which are treated as expenses under this section.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 198 the following item:

''Sec. 198A. Expensing of qualified disaster expenses.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2011, in connection with disasters declared after such date.

SEC. __02. INCREASED LIMITATION ON CHARITABLE CONTRIBUTIONS FOR DISASTER RELIEF.

(a) INDIVIDUALS.—Paragraph (1) of section 170(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively, and by inserting after subparagraph (E) the following new subparagraph:

''(F) QUALIFIED DISASTER CONTRIBUTIONS.—

''(i) IN GENERAL.—Any qualified disaster contribution shall be allowed to the extent that the aggregate of such contributions does not exceed the excess of 80 percent of the taxpayer's contribution base over the amount of all other charitable contributions allowable under this paragraph.

''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation under clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.

''(iii) COORDINATION WITH OTHER SUBPARAGRAPHS.—For purposes of applying this subsection and subsection (d)(1), contributions described in clause (i) shall not be treated as described in subparagraph (A) and such subparagraph shall be applied without regard to such contributions.

''(iv) QUALIFIED DISASTER CONTRIBUTIONS.—For purposes of this subparagraph, the term 'qualified disaster contribution' means any charitable contribution if—

''(I) such contribution is for relief efforts related to a federally declared disaster (as defined in section 165(h)(3)(C)(i)),

''(II) such contribution is made during the period beginning on the applicable disaster date with respect to the disaster described in subclause (I) and ending on December 31, 2015, and

''(III) such contribution is made in cash to an organization described in subparagraph (A) (other than an organization described in section 509(a)(3)).

Such term shall not include a contribution if the contribution is for establishment of a new, or maintenance in an existing, donor advised fund (as defined in section 4966(d)(2)).

''(v) APPLICABLE DISASTER DATE.—For purposes of clause (iv)(II), the term 'applicable disaster date' means, with respect to any federally declared disaster described in clause (iv)(I), the date on which the disaster giving rise to the Presidential declaration described in section 165(i)(5)(A) occurred.

''(vi) SUBSTANTIATION REQUIREMENT.—This paragraph shall not apply to any qualified disaster contribution unless the taxpayer obtains from such organization to which the contribution was made a contemporaneous written acknowledgment (within the meaning of subsection (f)(8)) that such contribution was used (or is to be used) for a purpose described in clause (iv)(III).''.

(b) CORPORATIONS.—

(1) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) QUALIFIED DISASTER CONTRIBUTIONS.—

''(i) IN GENERAL.—Any qualified disaster contribution shall be allowed to the extent that the aggregate of such contributions does not exceed the excess of 20 percent of the taxpayer's taxable income over the amount of charitable contributions allowed under subparagraph (A).

''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation under clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.

''(iii) QUALIFIED DISASTER CONTRIBUTION.—The term 'qualified disaster contribution' has the meaning given such term under paragraph (2)(F)(iv).

''(iv) SUBSTANTIATION REQUIREMENT.—This paragraph shall not apply to any qualified disaster contribution unless the taxpayer obtains from such organization to which the contribution was made a contemporaneous

written acknowledgment (within the meaning of subsection (f)(8)) that such contribution was used (or is to be used) for a purpose described in paragraph (1)(F)(iv)(III).''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 170(b)(2) of such Code is amended by striking ''subparagraph (B) applies'' and inserting ''subparagraphs (B) and (C) apply''.

(B) Subparagraph (B) of section 170(b)(2) of such Code is amended by striking ''subparagraph (A)'' and inserting ''subparagraphs (A) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters arising in taxable years ending after December 31, 2011.

SEC. __03. LOSSES ATTRIBUTABLE TO DISASTERS IN 2012, 2013, 2014, AND 2015.

(a) IN GENERAL.—Section 165(h) of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following:

''(3) SPECIAL RULE FOR LOSSES IN FEDERALLY DECLARED DISASTERS.—

''(A) IN GENERAL.—If an individual has a net disaster loss for any taxable year, the amount determined under paragraph (2)(A)(ii) shall be the sum of—

''(i) such net disaster loss, and

''(ii) so much of the excess referred to in the matter preceding clause (i) of paragraph (2)(A) (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual.

''(B) NET DISASTER LOSS.—For purposes of subparagraph (A), the term 'net disaster loss' means the excess of—

''(i) the personal casualty losses—

''(I) attributable to a federally declared disaster occurring during the period beginning after December 31, 2007, and before January 1, 2010, or during the period beginning after December 31, 2011, and before January 1, 2016, and

''(II) occurring in a disaster area, over

''(ii) personal casualty gains.

''(C) FEDERALLY DECLARED DISASTER.—For purposes of this paragraph—

''(i) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' has the meaning given such term by subsection (i)(5)(A).

''(ii) DISASTER AREA.—The term 'disaster area' has the meaning given such term by subsection (i)(5)(B).''.

(b) CONFORMING AMENDMENT.—Paragraph (4) of section 165(h) of such Code, as so redesignated, is amended by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''.

(c) LOSS ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZED DEDUCTIONS.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (21) the following new paragraph:

''(22) DISASTER CASUALTY LOSSES.—Any net disaster loss (as defined in section 165(h)(3)(B)).''.

(d) TECHNICAL AMENDMENT.—Subparagraph (A) of section 165(i)(5) of the Internal Revenue Code of 1986 is amended by inserting ''major'' after ''means any''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared in taxable years beginning after December 31, 2011.

(f) USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer—

(A) claims a deduction for any taxable year with respect to a casualty loss to a principal residence (within the meaning of section 121 of such Code) resulting from any federally declared disaster (as defined in section 165(h)(3)(C) of such Code) occurring during the period beginning after December 31, 2011, and before January 1, 2016, and

(B) in a subsequent taxable year receives a grant under any Federal or State program as reimbursement for such loss,

such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed (and for any taxable year to which such deduction is carried) and reduce (but not below zero) the amount of such deduction by the amount of such reimbursement.

(2) TIME OF FILING AMENDED RETURN.—Paragraph (1) shall apply with respect to any grant only if any amended income tax returns with respect to such grant are filed not later than the later of—

(A) the due date for filing the tax return for the taxable year in which the taxpayer receives such grant, or

(B) the date which is 1 year after the date of the enactment of this Act.

(3) WAIVER OF PENALTIES AND INTEREST.—Any underpayment of tax resulting from the reduction under paragraph (1) of the amount otherwise allowable as a deduction shall not be subject to any penalty or interest under such Code if such tax is paid not later than 1 year after the filing of the amended return to which such reduction relates.

SEC. __04. NET OPERATING LOSSES ATTRIBUTABLE TO DISASTERS IN 2012, 2013, 2014, AND 2015.

(a) IN GENERAL.—Section 172(b)(1) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(G) CERTAIN LOSSES ATTRIBUTABLE FEDERALLY DECLARED DISASTERS.—In the case of a taxpayer who has a qualified disaster loss (as defined in subsection (i)), such loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''.

(b) RULES RELATING TO QUALIFIED DISASTER LOSSES.—Section 172 of the Internal Revenue Code of 1986 is amended by redesignating subsection (i) a subsection (j) and by inserting after subsection (h) the following:

''(i) RULES RELATING TO QUALIFIED DISASTER LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified disaster loss' means the lesser of—

''(A) the sum of—

''(i) the losses allowable under section 165 for the taxable year—

''(I) attributable to a federally declared disaster (as defined in section 165(i)(5)(A)) occurring during the period beginning after December 31, 2007, and before January 1, 2010, or during the period beginning after December 31, 2011, and before January 1, 2016, and

''(II) occurring in a disaster area (as defined in section 165(i)(5)(B)), and

''(ii) the deduction for the taxable year for qualified disaster expenses which is allowable under section 198A(a) or which would be so allowable if not otherwise treated as an expense, or

''(B) the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a qualified disaster loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.

''(4) EXCLUSION.—The term 'qualified disaster loss' shall not include any loss with respect to any property described in section 1400N(p)(3).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to losses arising in taxable years beginning after December 31, 2011, in connection with disasters declared after such date.

SEC. __05. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS FOLLOWING 2012, 2013, 2014, AND 2015 DISASTERS.

(a) IN GENERAL.—Paragraph (13) of section 143(k) of the Internal Revenue Code of 1986 is amended by striking ''before January 1, 2010'' in subparagraphs (A)(i) and (B)(i) of such paragraph and inserting ''during the period beginning after December 31, 2007, and before January 1, 2010, or during the period beginning after December 31, 2011, and before January 1, 2016''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters occurring after December 31, 2011.

SEC. __06. INCREASED EXPENSING AND BONUS DEPRECIATION FOR QUALIFIED DISASTER ASSISTANCE PROPERTY FOLLOWING 2012, 2013, 2014, AND 2015 DISASTERS.

(a) IN GENERAL.—Subclause (I) of section 168(n)(2)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking ''before January 1, 2010'' and inserting ''during the period beginning after December 31, 2007, and before January 1, 2010, or during the period beginning after December 31, 2011, and before January 1, 2016''.

(b) REMOVAL OF EXCLUSION.—Section 168(n)(2)(B)(i) of such Code is amended by inserting ''and'' at the end of subclause (I), by striking '', and'' at the end of subclause (II) and inserting a period, and by striking subclause (III).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2011, with respect to disasters declared after such date.

SEC. __07. INCREASE IN NEW MARKETS TAX CREDIT FOR INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES SERVING 2012, 2013, 2014, AND 2015 DISASTER AREAS.

(a) IN GENERAL.—Subsection (f) of section 45D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) INCREASED SPECIAL ALLOCATION FOR COMMUNITY DEVELOPMENT ENTITIES SERVING DISASTER AREAS WITH RESPECT TO DISASTERS OCCURRING IN ANY OF CALENDAR YEARS 2012 THROUGH 2015.—

''(A) IN GENERAL.—In the case of each calendar year which begins after 2012 and before 2017, the new markets tax credit limitation shall be increased by an amount equal to $500,000,000, to be allocated among qualified community development entities to make qualified low-income community investments within any covered federally declared disaster area.

''(B) ALLOCATION OF INCREASE.—The amount of the increase in limitation under subparagraph (A) shall be allocated by the Secretary under paragraph (2) to qualified community development entities and shall give priority to such entities with a record of having successfully provided capital or technical assistance to businesses or communities within any covered federally declared disaster area or areas for which the allocation is requested.

''(C) APPLICATION OF CARRYFORWARD.—Paragraph (3) shall be applied separately with respect to the amount of any increase under subparagraph (A).

''(D) COVERED FEDERALLY DECLARED DISASTER AREA.—For purposes of this paragraph, the term 'covered federally declared disaster area' means any disaster area resulting from any federally declared disaster occurring after December 31, 2011, and before January 1, 2016. For purposes of the preceding sentence, the terms 'federally declared disaster' and 'disaster area' have the meanings given such terms in section 165(i)(5).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2012.

SEC. __08. SPECIAL RULES FOR USE OF RETIREMENT FUNDS IN CONNECTION WITH FEDERALLY DECLARED DISASTERS IN 2012, 2013, 2014, AND 2015.

(a) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

(1) IN GENERAL.—Paragraph (2) of section 72(t) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(H) DISTRIBUTIONS FROM RETIREMENT PLANS IN CONNECTION WITH FEDERALLY DECLARED DISASTERS DURING IN ANY CALENDAR YEARS AFTER 2011.—Any qualified disaster recovery distribution.''.

(2) QUALIFIED DISASTER RECOVERY DISTRIBUTION.—Section 72(t) of such Code is amended by adding at the end the following new paragraph:

''(11) QUALIFIED DISASTER RECOVERY DISTRIBUTION.—For purposes of paragraph (2)(H)—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified disaster recovery distribution' means, with respect to any federally declared disaster occurring in any calendar year beginning after 2011 and before January 1, 2016, any distribution from an eligible retirement plan made on or after the applicable disaster date and before the date that is 1 year after the applicable disaster date, to an individual whose principal place of abode on the applicable disaster date, is located in the disaster area and who has sustained an economic loss by reason of such federally declared disaster.

''(B) DOLLAR LIMITATION.—

''(i) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual with respect to any federally declared disaster occurring during in any calendar year beginning after 2011 shall not exceed $100,000.

''(ii) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to clause (i)) be a qualified disaster recovery distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified disaster recovery distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual with respect to any federally declared disaster occurring in any calendar year beginning after 2011 exceeds $100,000.

''(iii) CONTROLLED GROUP.—For purposes of clause (ii), the term 'controlled group' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

''(C) AMOUNT DISTRIBUTED MAY BE REPAID.—

''(i) IN GENERAL.—Any individual who receives a qualified disaster recovery distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as the case may be.

''(ii) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, if a contribution is made pursuant to clause (i) with respect to a qualified disaster recovery distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified disaster recovery distribution in an eligible rollover distribution (as defined in section 402(c)(4)) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

''(iii) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of this title, if a contribution is made pursuant to clause (i) with respect to a qualified disaster recovery distribution from an individual retirement plan (as defined by section 7701(a)(37)), then, to the extent of the amount of the contribution, the qualified disaster recovery distribution shall be treated as a distribution described in section 408(d)(3) and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

''(D) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD.—

''(i) IN GENERAL.—In the case of any qualified disaster recovery distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

''(ii) SPECIAL RULE.—For purposes of clause (i), rules similar to the rules of subparagraph (E) of section 408A(d)(3) shall apply.

''(E) OTHER DEFINITIONS.—

''(i) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(ii) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.

''(iii) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' shall have the meaning given such term by section 402(c)(8)(B).

''(F) SPECIAL RULES.—

''(i) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405, qualified disaster recovery distributions shall not be treated as eligible rollover distributions.

''(ii) QUALIFIED DISASTER RECOVERY DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of this title, a qualified disaster recovery distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions with respect to disaster declared after December 31, 2011.

(b) LOANS FROM QUALIFIED PLANS.—

(1) IN GENERAL.—Subsection (p) of section 72 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(6) INCREASE IN LIMIT ON LOANS NOT TREATED AS DISTRIBUTIONS WITH RESPECT TO DISASTERS IN ANY CALENDAR YEAR AFTER 2011.—

''(A) IN GENERAL.—In the case of any loan from a qualified employer plan to a qualified individual made during the applicable period—

''(i) clause (i) of paragraph (2)(A) shall be applied by substituting '$100,000' for '$50,000', and

''(ii) clause (ii) of such paragraph shall be applied by substituting 'the present value of the nonforfeitable accrued benefit of the employee under the plan' for 'one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan'.

''(B) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after the applicable disaster date from a qualified employer plan—

''(i) if the due date pursuant to subparagraph (B) or (C) of paragraph (2) for any repayment with respect to such loan occurs during the 1-year period beginning on the applicable disaster date, such due date shall be delayed for 1 year,

''(ii) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under clause (i) and any interest accruing during such delay, and

''(iii) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of paragraph (2), the period described in clause (i) shall be disregarded.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means, with respect to any federally declared disaster occurring during in any calendar year beginning after 2011, an individual whose principal place of abode on the applicable disaster date is located in the disaster area and who has sustained an economic loss by reason of such federally declared disaster.

''(ii) APPLICABLE PERIOD.—The applicable period is the period beginning on the applicable disaster date and ending on December 31, 2016.

''(iii) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(iv) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to loans made with respect to disaster declared after December 31, 2011.

(c) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any provision of, or amendment made by, this section, or pursuant to any regulation issued by the Secretary or the Secretary of Labor under any provision of, or amendment made by, this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2016, or such later date as the Secretary may prescribe.

In the case of a governmental plan (as defined in section 414(d)), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date that the provisions of, and amendments made by, this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by the provisions of, or amendments made by, this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. __09. ADDITIONAL EXEMPTION FOR HOUSING QUALIFIED DISASTER DISPLACED INDIVIDUALS.

(a) IN GENERAL.—Section 151 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) ADDITIONAL EXEMPTION FOR CERTAIN DISASTER-DISPLACED INDIVIDUALS.—

''(1) IN GENERAL.—In the case of any taxable year beginning in any calendar year beginning after 2011, there shall be allowed an exemption of $500 for each qualified disaster-displaced individual with respect to the taxpayer for the taxable year.

''(2) LIMITATIONS.—

''(A) DOLLAR LIMITATION.—The exemption under paragraph (1) shall not exceed $2,000, reduced by the amount of the exemption under this subsection for all prior taxable years.

''(B) INDIVIDUALS TAKEN INTO ACCOUNT ONLY ONCE.—An individual shall not be taken into account under paragraph (1) if such individual was taken into account under this subsection by the taxpayer for any prior taxable year.

''(C) IDENTIFYING INFORMATION REQUIRED.—An individual shall not be taken into account under paragraph (1) for a taxable year unless the taxpayer identification number of such individual is included on the return of the taxpayer for such taxable year.

''(3) QUALIFIED DISASTER-DISPLACED INDIVIDUAL.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified disaster-displaced individual' means, with respect to any taxpayer for any taxable year, any qualified individual if such individual is provided housing free of charge by the taxpayer in the principal residence of the taxpayer for a period of 60 consecutive days which ends in such taxable year. Such term shall not include the spouse or any dependent of the taxpayer.

''(B) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means any individual who—

''(i) on the date of a federally declared disaster occurring in calendar years beginning after 2011 and before 2016 maintained such individual's principal place of abode in the disaster area declared with respect to such disaster, and

''(ii) was displaced from such principal place of abode by reason of the federally declared disaster.

For purposes of the preceding sentence, the terms 'federally declared disaster' and 'disaster area' have the meanings given such terms in section 165(i)(5).

''(4) COMPENSATION FOR HOUSING.—No deduction shall be allowed under this subsection if the taxpayer receives any rent or other amount (from any source) in connection with the providing of such housing.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. __10. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS BY REASON OF 2012, 2013, 2014, AND 2015 DISASTERS.

(a) IN GENERAL.—Section 108 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(j) DISCHARGE OF INDEBTEDNESS FOR INDIVIDUALS AFFECTED BY DISASTERS IN ANY CALENDAR YEAR AFTER 2011.—

''(1) IN GENERAL.—Except as provided in paragraph (2), gross income shall not include any amount which (but for this subsection) would be includible in gross income by reason of any discharge (in whole or in part) of indebtedness of a natural person described in paragraph (3) by an applicable entity (as defined in section 6050P(c)(1)) during the applicable period.

''(2) EXCEPTIONS FOR BUSINESS INDEBTEDNESS.—Paragraph (1) shall not apply to any indebtedness incurred in connection with a trade or business.

''(3) PERSONS DESCRIBED.—A natural person is described in this paragraph if the principal place of abode of such person on the applicable disaster date was located in the disaster area with respect to any federally declared disaster occurring during any calendar year beginning after 2011 and before 2016.

''(4) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means the period beginning on the applicable disaster date and ending on the date which is 14 months after such date.

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(B) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges made on or after December 31, 2011.

SEC. __11. SPECIAL RULE FOR DETERMINING EARNED INCOME OF INDIVIDUALS AFFECTED BY FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(n) SPECIAL RULE FOR DETERMINING EARNED INCOME OF TAXPAYERS AFFECTED BY FEDERALLY DECLARED DISASTERS.—

''(1) IN GENERAL.—In the case of a qualified individual with respect to any federally declared disaster occurring during any calendar year beginning after 2011, if the earned income of the taxpayer for the taxable year which includes the applicable disaster date is less than the earned income of the taxpayer for the preceding taxable year, the credit allowed under this section and section 24(d) may, at the election of the taxpayer, be determined by substituting—

''(A) such earned income for the preceding taxable year, for

''(B) such earned income for the taxable year which includes the applicable date.

''(2) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term 'qualified individual' means, with respect to any federally declared disaster occurring during in any calendar year beginning after 2011 and before 2016, any individual whose principal place of abode on the applicable disaster date, was located—

''(A) in any portion of a disaster area determined by the President to warrant individual or individual and public assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the federally declared disaster, or

''(B) in any portion of the disaster area not described in subparagraph (A) and such individual was displaced from such principal place of abode by reason of the federally declared disaster.

''(3) OTHER DEFINITIONS.—For purposes of this paragraph—

''(A) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(B) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.

''(4) SPECIAL RULES.—

''(A) APPLICATION TO JOINT RETURNS.—For purposes of paragraph (1), in the case of a joint return for a taxable year which includes the disaster date—

''(i) such paragraph shall apply if either spouse is a qualified individual, and

''(ii) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

''(B) UNIFORM APPLICATION OF ELECTION.—Any election made under paragraph (1) shall apply with respect to both section 24(d) and this section.

''(C) ERRORS TREATED AS MATHEMATICAL ERROR.—For purposes of section 6213, an incorrect use on a return of earned income pursuant to paragraph (1) shall be treated as a mathematical or clerical error.

''(D) NO EFFECT ON DETERMINATION OF GROSS INCOME, ETC.—Except as otherwise provided in this subsection, this title shall be applied without regard to any substitution under paragraph (1).''.

(b) CHILD TAX CREDIT.—Section 24(d) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR DETERMINING EARNED INCOME OF TAXPAYERS AFFECTED BY FEDERALLY DECLARED DISASTERS.—For election by qualified individuals with respect to certain federally declared disasters to substitute earned income from the preceding taxable year, see section 32(n).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. __12. INCREASE IN REHABILITATION CREDIT FOR BUILDINGS IN 2012, 2013, 2014, AND 2015 DISASTER AREAS.

(a) IN GENERAL.—Section 47 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(e) SPECIAL RULE FOR EXPENDITURES MADE IN CONNECTION WITH CERTAIN DISASTERS.—

''(1) IN GENERAL.—In the case of qualified rehabilitation expenditures paid or incurred during the applicable period with respect to any qualified rehabilitated building or certified historic structure located in a disaster area with respect to any federally declared disaster occurring in, subsection (a) shall be applied—

''(A) by substituting '13 percent' for '10 percent' in paragraph (1) thereof, and

''(B) by substituting '26 percent' for '20 percent' in paragraph (2) thereof.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(B) APPLICABLE PERIOD.—The term 'applicable period' means the period beginning on the applicable disaster date and ending on December 31, 2015.

''(C) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2011.

SEC. _13. ADVANCED REFUNDINGS OF CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Section 149(d) of the Internal Revenue Code of 1986 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) SPECIAL RULE WITH RESPECT TO CERTAIN NATURAL DISASTERS.—

''(A) IN GENERAL.—With respect to a bond described in subparagraph (C), one additional advance refunding after the date of the enactment of this paragraph and before January 1, 2018, shall be allowed under the rules of this subsection if—

''(i) the Governor of the State designates the advance refunding bond for purposes of this subsection, and

''(ii) the requirements of subparagraph (E) are met.

''(B) CERTAIN PRIVATE ACTIVITY BONDS.—With respect to a bond described in subparagraph (C) which is an exempt facility bond described in paragraph (1) or (2) of section 142(a), one advance refunding after the date of the enactment of this paragraph and before January 1, 2018, shall be allowed under the applicable rules of this subsection (notwithstanding paragraph (2) thereof) if the requirements of clauses (i) and (ii) of subparagraph (A) are met.

''(C) BONDS DESCRIBED.—A bond is described in this paragraph if, with respect to any federally declared disaster, such bond—

''(i) was outstanding on the applicable disaster date, and

''(ii) is issued by an applicable State or a political subdivision thereof.

''(D) AGGREGATE LIMIT.—The maximum aggregate face amount of bonds which may be designated under this subsection by the Governor of a State shall not exceed $4,500,000,000.

''(E) ADDITIONAL REQUIREMENTS.—The requirements of this subparagraph are met with respect to any advance refunding of a bond described in subparagraph (C) if—

''(i) no advance refundings of such bond would be allowed under this title on or after the applicable disaster date,

''(ii) the advance refunding bond is the only other outstanding bond with respect to the refunded bond, and

''(iii) the requirements of section 148 are met with respect to all bonds issued under this paragraph.

''(F) DEFINITIONS.—For purposes of this subsection—

''(i) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).

''(ii) APPLICABLE DISASTER DATE.—The term 'applicable disaster date' means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.

''(iii) APPLICABLE STATE.—The term 'applicable State' means, with respect to any federally declared disaster, any State in which a portion of the disaster area is located.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. _14. QUALIFIED DISASTER AREA RECOVERY BONDS.

(a) IN GENERAL.—Subpart A of part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 146 the following new section:

''SEC. 146A. QUALIFIED DISASTER AREA RECOVERY BONDS.

''(a) IN GENERAL.—For purposes of this title, any qualified disaster area recovery bond shall—

''(1) be treated as an exempt facility bond, and

''(2) not be subject to section 146.

''(b) QUALIFIED DISASTER AREA RECOVERY BOND.—For purposes of this section, the term 'qualified disaster area recovery bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the net proceeds of such issue are to be used for qualified project costs,

''(2) such bond is issued by a State or any political subdivision thereof any part of which is in a qualified disaster area,

''(3) the Governor of the issuing State designates such bond for purposes of this section, and

''(4) such bond is issued after the date of the enactment of this section and before January 1, 2017.

''(c) LIMITATION ON AMOUNT OF BONDS.—

''(1) IN GENERAL.—The maximum aggregate face amount of bonds which may be designated under this section by any State shall not exceed $10,000,000,000.

''(2) MOVABLE PROPERTY.—No bonds shall be issued which are to be used for movable fixtures and equipment.

''(3) TREATMENT OF CURRENT REFUNDING BONDS.—Paragraph (1) shall not apply to any bond (or series of bonds) issued to refund a qualified disaster area recovery bond, if—

''(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

''(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(C) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A).

''(d) QUALIFIED PROJECT COSTS.—For purposes of this section, the term 'qualified project costs' means the cost of acquisition, construction, reconstruction, and renovation of—

''(1) residential rental property (as defined in section 142(d)),

''(2) nonresidential real property (including fixed improvements associated with such property),

''(3) a facility described in paragraph (2) or (3) of section 142(a), or

''(4) public utility property (as defined in section 168(i)(10)),

which is located in a qualified disaster area and was damaged or destroyed by reason of a federally declared disaster.

''(e) SPECIAL RULES.—In applying this title to any qualified disaster area recovery bond, the following modifications shall apply:

''(1) Section 147(d) (relating to acquisition of existing property not permitted) shall be applied by substituting '50 percent' for '15 percent' each place it appears.

''(2) Section 148(f)(4)(C) (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to the available construction proceeds of bonds issued under this section. For purposes of the preceding sentence, the following spending requirements shall apply in lieu of the requirements in clause (ii) of such section:

''(A) 40 percent of such available construction proceeds are spent for the governmental purposes of the issue within the 2-year period beginning on the date the bonds are issued,

''(B) 60 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date,

''(C) 80 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date, and

''(D) 100 percent of such proceeds are spent for such purposes within the 5-year period beginning on such date.

''(3) Repayments of principal on financing provided by the issue—

''(A) may not be used to provide financing, and

''(B) must be used not later than the close of the first semiannual period beginning after the date of the repayment to redeem bonds which are part of such issue.

The requirement of subparagraph (B) shall be treated as met with respect to amounts received within 5 years after the date of issuance of the issue (or, in the case of a refunding bond, the date of issuance of the original bond) if such amounts are used by the close of such 5 years to redeem bonds which are part of such issue.

''(4) Section 57(a)(5) shall not apply.

''(f) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This section shall not apply to the portion of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond (determined without regard to paragraph (1)), if the issuer elects to so treat such portion.

''(g) QUALIFIED DISASTER AREA; FEDERALLY DECLARED DISASTER.—

''(1) QUALIFIED DISASTER AREA.—The term 'qualified disaster area' means any area determined to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of a federally declared disaster occurring during the period beginning after December 31, 2011, and before January 1, 2016.

''(2) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' has the meaning given to such term under section 165(i)(5).''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 146 the following new item:

''Sec. 146A. Qualified disaster area recovery bonds.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2015.

SEC. _15. ADDITIONAL LOW-INCOME HOUSING CREDIT ALLOCATIONS.

(a) IN GENERAL.—Paragraph (3) of section 42(h) of the Internal Revenue Code of 1986 (relating to limitation on aggregate credit allowable with respect to projects located in a State) is amended by adding at the end the following new subparagraph:

''(J) INCREASE IN STATE HOUSING CREDIT FOR STATES DAMAGED BY NATURAL DISASTERS.—

''(i) IN GENERAL.—In the case of calendar year 2016, the State housing credit ceiling of each State any portion of which includes any portion of a qualifying disaster area shall be increased by so much of the aggregate housing credit dollar amount as does not exceed the applicable limitation allocated by the State housing credit agency of such State for such calendar year to buildings located in qualifying disaster areas.

''(ii) APPLICABLE LIMITATION.—For purposes of clause (i), the applicable limitation is the greater of—

''(I) $8 multiplied by the population of the qualifying disaster areas in such State, or

''(II) 50 percent of the State housing credit ceiling (determined without regard to this subparagraph) for 2015.

''(iii) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage with respect to any building to which amounts allocated under clause (i) shall be determined under subsection (b)(2), except that subparagraph (A) thereof shall be applied by substituting 'January 1, 2016' for 'January 1, 2015'.

''(iv) ALLOCATIONS TREATED AS MADE FIRST FROM ADDITIONAL ALLOCATION AMOUNT FOR PURPOSES OF DETERMINING CARRYOVER.—For purposes of determining the unused State housing credit ceiling under subparagraph (C) for any calendar year, any increase in the State housing credit ceiling under clause (i) shall be treated as an amount described in clause (ii) of such subparagraph.

''(v) QUALIFYING DISASTER AREA.—For purposes of this subparagraph, the term 'qualifying federally declared disaster area' means—

''(I) each county which is determined to warrant individual or individual and public assistance from the Federal Government under a qualifying natural disaster declaration described in clause (vi)(I), and

''(II) each county not described in subclause (I) which is included in the geographical area covered by a qualifying natural disaster declaration described in subclause (II) or (III) of clause (vi).

''(vi) QUALIFYING NATURAL DISASTER DECLARATION.—For purposes of clause (v), the term 'qualifying natural disaster declaration' means—

''(I) a federally declared disaster (as defined in section 165(i)(5)) occurring during the period beginning after December 31, 2011, and before January 1, 2016,

''(II) a natural disaster declared by the Secretary of Agriculture in 2011 due to damaging weather and other conditions relating to Hurricane Irene or Tropical Storm Lee under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)), or

''(III) a major disaster or emergency designated by the President in 2011 due to damaging weather and other conditions relating to Hurricane Irene or Tropical Storm Lee under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. __16. FACILITATION OF TRANSFER OF WATER LEASING AND WATER BY MUTUAL DITCH OR IRRIGATION COMPANIES IN DISASTER AREAS.

(a) IN GENERAL.—Paragraph (12) of section 501(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(I) TREATMENT OF MUTUAL DITCH OR IRRIGATION COMPANIES IN CERTAIN DISASTER AREAS.—

''(i) IN GENERAL.—In the case of a qualified mutual ditch or irrigation company or like organization, subparagraph (A) shall be applied without taking into account any income received or accrued during the applicable period—

''(I) from the sale, lease, or exchange of fee or other interests in real property, including interests in water,

''(II) from the sale or exchange of stock in a mutual ditch or irrigation company or like organization or contract rights for the delivery or use of water,

''(III) from the investment of proceeds from sales, leases, or exchanges under subclauses (I) and (II), or

''(IV) from the United States, or a State or local government, resulting from the federally declared disaster.

except that any income received under subclause (I), (II), (III), or (IV) which is distributed or expended for expenses (other than for operations, maintenance, and capital improvements) of the qualified mutual ditch or irrigation company or like organization shall be treated as nonmember income in the year in which it is distributed or expended.

''(ii) QUALIFIED MUTUAL DITCH OR IRRIGATION COMPANY OR LIKE ORGANIZATION.—For purposes of this paragraph—

''(I) IN GENERAL.—The term 'qualified mutual ditch or irrigation company or like organization' means any mutual ditch or irrigation company or like organization that diverted, delivered, transported, stored, or used its water for agricultural irrigation purposes on its own or through its shareholders in a qualified disaster area during any of calendar years 2012 through 2015.

''(II) QUALIFIED ASSET.—The term 'qualified asset' means any real property or tangible personal property used in the mutual ditch or irrigation company's (or like organization's) system.

''(III) MULTIPLE AREAS.—Under regulations, if the qualified assets of any mutual ditch or irrigation company or like organization are located in more than 1 qualified disaster area, all such areas shall be treated as 1 area and if more than 1 federally declared disaster is involved, the date on which the last of such disasters occurred shall be the date used for purposes of this paragraph.

''(iii) APPLICABLE PERIOD.—For purposes of this paragraph, the term 'applicable period' means the taxable year in which the federally declared disaster occurred and the 5 following taxable years.

''(iv) OTHER DEFINITIONS.—

''(I) QUALIFIED DISASTER AREA.—The term 'qualified disaster area' means any area determined to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of a federally declared disaster occurring during the period beginning on January 1, 2012, and ending on December 31, 2015.

''(II) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' has the meaning given to such term under section 165(i)(5).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years ending after December 31, 2011.

TITLE II—OTHER DISASTER TAX RELIEF PROVISIONS

SEC. __01. EXCLUSION FOR DISASTER MITIGATION PAYMENTS RECEIVED FROM STATE AND LOCAL GOVERNMENTS.

(a) IN GENERAL.—Paragraph (2) of section 139(g) of the Internal Revenue Code of 1986 is amended by inserting '', or any other amount which is paid by a State or local government or agency or instrumentality thereof,'' after ''(as in effect on such date)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received after the date of the enactment of this Act.

SEC. __02. NATURAL DISASTER FUNDS.

(a) NATURAL DISASTER FUND.—Subpart C of part II of subchapter E of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 468B the following new section:

''SEC. 468C. SPECIAL RULES FOR NATURAL DISASTER FUNDS.

''(a) IN GENERAL.—If a qualified taxpayer elects the application of this section, there shall be allowed as a deduction for any taxable year the amount of payments made by the taxpayer to a natural disaster fund during such taxable year.

''(b) NATURAL DISASTER FUND.—The term 'natural disaster fund' means a fund meeting the following requirements:

''(1) DESIGNATION.—The taxpayer designates—

''(A) the fund as a natural disaster fund in the manner prescribed by the Secretary, and

''(B) the line or lines of business to which the fund applies.

''(2) SEGREGATION.—The assets of the fund are segregated from other assets of the taxpayer.

''(3) INVESTMENTS.—

''(A) The assets of the fund are maintained in one or more qualified accounts and are invested only in—

''(i) deposits with banks whose deposits are insured subject to applicable limits by the Federal Deposit Insurance Corporation, or

''(ii) in stock or other securities in which the fund would be permitted to invest if it were a capital construction fund subject to the investment limitations of paragraphs (2) and (3) of section 7518(b)(2).

''(B) All investment earnings (including gains and losses) from investments of the fund become part of the fund.

''(4) CONTRIBUTIONS TO THE FUND.—The fund does not accept any deposits (or other amounts) other than cash payments with respect to which a deduction is allowable under subsection (a) and earnings (including gains and losses) from fund investments.

''(5) PURPOSE.—The fund is established and maintained for the purposes of covering costs, expenses, and losses (including business interruption losses) resulting from a Federally declared natural disaster to the extent such costs are not covered by insurance.

''(6) MAXIMUM BALANCE.—The balance of the fund does not exceed the lesser of—

''(A) the sum of—

''(i) 150 percent of the maximum deductible, and

''(ii) 100 percent of the maximum co-insurance (to the extent not taken into account in clause (i)),

that, in the case of a Federally declared natural disaster resulting in losses, the taxpayer could be expected to pay with respect to property and business interruption insurance maintained by the taxpayer for the line of business to which the fund applies and that would cover losses resulting from a Federally declared natural disaster, and

''(B) the maximum loss under any insurance coverage that the taxpayer could reasonably expect to occur for the line of business in the case of a severe natural disaster.

''(7) FINANCIAL STATEMENTS.—The fund or the balance of the fund is recorded in the taxpayer's financial statements in accordance with generally accepted accounting principles and not as a current asset and the footnotes to the taxpayer's financial statements include a short description of the fund and its purposes.

''(8) INSURANCE.—The taxpayer property insurance maintained by the qualified taxpayer applies to 75 percent or more of the property used—

''(A) in the qualified taxpayer's line of business to which the fund relates, and

''(B) in the United States.

''(c) QUALIFIED TAXPAYER.—For purposes of this section, the term 'qualified taxpayer' means any taxpayer that—

''(1) actively conducts a trade or business, and

''(2) maintains property insurance with respect to such trade or business that insures against losses in natural disasters.

''(d) FAILURE TO MEET REQUIREMENTS.—If a fund that was a natural disaster fund ceases to meet any of the requirements of subsection (b) or a taxpayer who has a natural disaster fund ceases to meet the requirement

of subsection (c), the entire balance of the fund shall be deemed distributed in a nonqualified distribution at the time the fund ceases to meet such requirements.

''(e) TAXATION OF FUND.—

''(1) IN GENERAL.—The earnings (including gains and losses) from the investment and reinvestment of amounts held in the fund shall not be taken into account in determining the gross income of the taxpayer that owns the fund.

''(2) NOT A SEPARATE TAXPAYER.—A natural disaster fund shall not be considered a separate taxpayer for purposes of this subtitle.

''(f) TAXATION OF DISTRIBUTIONS FROM THE FUND.—

''(1) QUALIFIED DISTRIBUTIONS.—For purposes of this chapter, qualified distributions shall be treated in the same manner as proceeds from property or business interruption insurance.

''(2) NONQUALIFIED DISTRIBUTIONS.—

''(A) IN GENERAL.—In the case of any taxable year for which there is a nonqualified distribution—

''(i) such nonqualified distributions shall be excluded from the gross income of the taxpayer, and

''(ii) the tax imposed by this chapter (determined without regard to this subsection) shall be increased by the product of the amount of such nonqualified distribution and the highest rate of tax specified in section 1 (section 11 in the case of a corporation).

''(B) TAX BENEFIT RULE; COORDINATION WITH DEDUCTION FOR NET OPERATING LOSSES.—Rules similar to the rules of subparagraphs (B) and (C) of section 7518(g)(6) shall apply for purposes of this paragraph.

''(3) ADDITIONAL TAX.—The tax imposed by this chapter for any taxable year on any taxpayer that a owns natural disaster fund shall be increased by the greater of—

''(A) 20 percent of the amount of any nonqualified distributions from the fund in the taxable year, and

''(B) an amount equal to interest, at the underpayment rate established under section 6621, on the nonqualified distribution from the time the amount is added to the fund to the time the amount is distributed.

''(4) INTEREST CALCULATION.—For purposes of calculating interest under paragraph (3)(B)—

''(A) all investment earnings (including gains or losses) in taxable year shall be treated as added to the fund on the last day of the taxable year, and

''(B) amounts distributed from the fund shall be treated as distributed on a first-in, first-out basis.

''(g) DEFINITIONS.—For purposes of this section—

''(1) FEDERALLY DECLARED NATURAL DISASTER.—The term 'Federally declared natural disaster' means a natural disaster that is determined by Presidential declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act to warrant individual or individual and public assistance under such Act.

''(2) NONQUALIFIED DISTRIBUTION.—The term 'nonqualified distribution' means a distribution from a natural disaster fund other than a qualified distribution.

''(3) QUALIFIED ACCOUNT.—The term 'qualified account' means an account with a bank (as defined in section 581) or a brokerage account but only if the investments of such accounts are limited to those permitted by subsection (b)(3) and no investments are made in a related person (as defined in section 465(b)(3)(C)) to the taxpayer.

''(4) QUALIFIED DISTRIBUTION.—

''(A) IN GENERAL.—The term 'qualified distribution' means with respect to natural disaster fund an amount equal to the excess of—

''(i) costs, expenses, and losses (including losses of a type reimbursable by proceeds of business interruption insurance) incurred by the taxpayer as a result of the Federally declared natural disaster with respect to the line or lines of business for which the fund was designated, over

''(ii) the proceeds of property and business interruption insurance paid for the benefit of the taxpayer with respect to costs, expenses, and losses described in clause (i).

''(B) LIMITATION.—A distribution from a natural disaster fund shall not be treated as a qualified distribution if such distribution is allocated to a Federally declared natural disaster occurring more than 3 years before the date of such distribution.

''(h) SPECIAL RULES.—For purposes of this section—

''(1) NO DOUBLE COUNTING.—Any portion of any deductible or coinsurance taken into account under subsection (b)(6) in determining the maximum balance for a natural disaster fund shall not be taken into account in determining the maximum balance for another natural disaster fund.

''(2) EXCESS BALANCE.—

''(A) IN GENERAL.—If the balance of a natural disaster fund exceeds the maximum balance permitted by subsection (b)(6) by reason of investment earnings or a reduction in the maximum balance, the account shall not cease to be a natural disaster fund as the result of exceeding such limit if the excess is distributed within 120 days of the date that such excess first occurred.

''(B) TREATMENT OF DISTRIBUTIONS OF EXCESS BALANCE.—In the case of any distribution of the excess balance of a natural disaster fund within 120 days of the date that such excess first occurred—

''(i) paragraphs (2) and (3) of subsection (f) shall not apply to the distribution of such excess if distributed within such period, and

''(ii) the amount of such distribution shall be included in the gross income of the taxpayer in the year such distribution was made.

''(C) ANTI-ABUSE RULE.—Subparagraph (B) shall not apply in the case of any reduction in the maximum balance resulting from any action of the taxpayer the primary purpose of which was to reduce the maximum balance to enable a distribution that would not be subject to the maximum tax rate calculation or the additional tax.

''(3) CERTAIN ASSET ACQUISITIONS.—The transfer of a natural disaster fund (or the portion of a natural disaster fund) from one person to another person shall not constitute a nonqualified distribution if—

''(A) such transfer is part of a transaction—

''(i) to which section 381 applies,

''(ii) the transferee acquires substantially all of the assets of the transferor used in the line or lines of business for which the fund was designated,

''(iii) the transferee acquires substantially all of the assets of the transferor used in one, but not all, of the lines of business for which the fund was designated, or

''(iv) the transferee acquires substantially all of the transferor's assets located in a geographical area and used in a line of business for which the fund was designated, and

''(B) the transferee elects to treat the acquired natural disaster fund (or portion thereof) as a natural disaster fund for the line of business for which the transferor had previously designated the fund and as a continuation of the fund (or pro rata portion thereof) for purposes of determining the additional tax imposed by subsection (f)(4).

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 468B the following new item:

''Sec. 468C. Special rules for natural disaster funds.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2014.

TITLE III—PERMANENT DISASTER TAX RELIEF PROVISIONS

SEC. __01. INCREASE PROPERTY REPLACEMENT PERIOD TO 5 YEARS.

(a) IN GENERAL.—Section 1033(a)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(F) FEDERALLY DECLARED DISASTER.—

''(i) IN GENERAL.—In the case of converted property that is located in the disaster area of a federally declared disaster occurring during a calendar year beginning after 2011 and that is damaged or destroyed by the federally declared disaster, subparagraph (B)(i) shall be applied by substituting '5 years' for '2 years'.

''(ii) FEDERALLY DECLARED DISASTER AND DISASTER AREA.—For purposes of clause (i), the terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).''.

(b) CONFORMING AMENDMENT.—Section 1033(h)(1)(B) of the Internal Revenue Code of 1986 is amended by striking ''4 years'' and inserting ''5 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared after December 31, 2015.

SEC. __02. WAGE CREDIT FOR SPECIFIED DISASTER-DAMAGED BUSINESSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 45S. WAGE CREDIT FOR SPECIFIED DISASTER-DAMAGED BUSINESSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the specified disaster-damaged business wage credit for any taxable year is an amount equal to 40 percent of the qualified wages for such year.

''(b) QUALIFIED WAGES DEFINED.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified wages' means, with respect to any covered employee, wages paid or incurred by the eligible employer to the employee who is not able to work at the disaster-damaged business of the employer during an inoperability period because of a federally declared disaster. Such term shall not include amounts paid or incurred for overtime compensation.

''(2) LIMITATIONS.—

''(A) LIMITATION ON WAGES TAKEN INTO ACCOUNT.—The amount of the qualified wages with respect to any individual which may be taken into account with respect to a federally declared disaster shall not exceed $6,000.

''(B) INOPERABILITY PERIOD.—The inoperability period with respect to a federally declared disaster is the period beginning with the first day the trade or business is rendered inoperable due to damage from the federally declared disaster and ending on the earlier of—

''(i) the last day on which the trade or business is inoperable, or

''(ii) 16 weeks after the first day of such disaster.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any taxable year, any employer which—

''(i) employed an average of less than 200 employees on business days during such taxable year, and

''(ii) has a disaster-damaged business.

''(B) DISASTER-DAMAGED BUSINESS.—The term 'disaster-damaged business' means a place of business within a disaster area which is rendered inoperable due to damage from the federally declared disaster.

''(C) CONTROLLED GROUPS.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

''(2) COVERED EMPLOYEE.—The term 'covered employee' means, with respect to an eligible employer, an individual—

''(A) whose principal place of employment is in a disaster area with respect to a federally declared disaster, and

''(B) who has been employed by the employer for more than 30 days before the first day of the federally declared disaster.

''(3) FEDERALLY DECLARED DISASTER AND DISASTER AREA.—For purposes of clause (i), the terms 'federally declared disaster' and 'disaster area' have the meanings given such terms under section 165(i)(5).''.

(b) ALLOWANCE AS GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is amended by striking ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following:

''(37) the specified disaster-damaged business wage credit determined under section 45S(a).''.

(c) DENIAL OF DOUBLE BENEFIT.—Subsection (a) of section 280C of the Internal Revenue Code of 1986 is amended by inserting ''45S(a),'' after ''45P(a)''.

(d) CLERICAL AMENDMENT.—The table of contents for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45S. Wage credit for specified disaster-damaged businesses.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.

SEC. __03. DISASTER-RELATED MEDICAL EXPENSES.

(a) IN GENERAL.—Section 213 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(g) DISASTER-RELATED MEDICAL EXPENSES.—

''(1) IN GENERAL.—In the case of expenses directly related to an injury caused by a federally declared disaster occurring during the taxable year or the preceding taxable year, there shall be allowed a separate deduction under this section, which shall be determined under this section (without regard to this subsection), except that—

''(A) subsection (a) shall be applied by substituting 'zero percent' for '10 percent', and

''(B) subsection (f) shall be applied by substituting 'zero percent' for '7.5 percent'.

''(2) COORDINATION.—Any expense taken into account under paragraph (1) shall not be treated as an expense taken into account under this section (without regard to this section).

''(3) FEDERALLY DECLARED DISASTER.—For purposes of this subsection, the term 'federally declared disaster' shall have the meaning given such term under section 165(i)(5).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to disasters occurring after the date of the enactment of this Act.

SEC. __04. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Section 198A(b)(2)(A)(ii) of the Internal Revenue Code of 1986, as added by section __01 of this division, is amended by striking ''and before January 1, 2016,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2015.

SEC. __05. LOSSES ATTRIBUTABLE TO DISASTERS.

(a) IN GENERAL.—Section 165(h)(3)(B)(i)(I) of the Internal Revenue Code of 1986, as amended by section __03 of this division, is amended by striking ''the period beginning after December 31, 2011, and before January 1, 2016,'' and inserting ''any period beginning after December 31, 2011,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared in taxable years beginning after December 31, 2015.

SEC. __06. NET OPERATING LOSSES ATTRIBUTABLE TO DISASTERS.

(a) IN GENERAL.—Section 172(i)(1)(A)(i)(I) of the Internal Revenue Code of 1986 is amended by striking ''and before January 1, 2016,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared in taxable years beginning after December 31, 2015.

SEC. __07. SPECIAL RULES FOR USE OF RETIREMENT FUNDS IN CONNECTION WITH FEDERALLY DECLARED DISASTERS.

(a) WITHDRAWALS.—Section 72(t)(11)(A) of the Internal Revenue Code of 1986, as amended by section __08 of this division, is amended by striking ''2011 and before January 1, 2016,'' and inserting ''2011,''.

(b) LOANS.—Section 72(p)(6)(C)(ii) of such Code is amended by striking ''and ending on December 31, 2016''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions with respect to disaster declared after December 31, 2015.

SEC. __08. ADDITIONAL EXEMPTION FOR HOUSING QUALIFIED DISASTER DISPLACED INDIVIDUALS.

(a) IN GENERAL.—Section 151(f)(3)(B)(i) of the Internal Revenue Code of 1986, as amended by section __09 of this division, is amended by striking ''and before 2016''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

SEC. __09. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS BY REASON OF DISASTERS.

(a) IN GENERAL.—Section 108(j)(3) of the Internal Revenue Code of 1986, as amended by section __10 of this division, is amended by striking ''and before 2016''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges made on or after December 31, 2015.

SEC. __10. SPECIAL RULE FOR DETERMINING EARNED INCOME OF INDIVIDUALS AFFECTED BY FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Section 32(n)(2) of the Internal Revenue Code of 1986, as amended by section __11 of this division, is amended by striking ''and before 2016''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

SEC. __11. QUALIFIED DISASTER AREA RECOVERY BONDS.

(a) IN GENERAL.—Section 146A(b)(4) of the Internal Revenue Code of 1986, as amended by section __14 of this division, is further amended by striking ''and before January 1, 2017''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 2015.

SEC. __12. ADDITIONAL LOW-INCOME HOUSING CREDIT ALLOCATIONS.

(a) IN GENERAL.—Section 42(h)(3)(J) of the Internal Revenue Code of 1986, as amended by section __15 of this division, is amended—

(1) in clause (i) by striking ''In the case of calendar year 2016,'' and inserting ''In the case of a calendar year beginning after 2015,'',

(2) in clause (ii)(II) by striking ''2015'' and inserting ''the preceding calendar year'', and

(3) in clause (iii) by striking ''substituting 'January 1 of the calendar year in which the taxable year ends' for 'January 1, 2015' ''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 1792. Mr. LANKFORD submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. NO TAX EXEMPT BONDS FOR PROFESSIONAL STADIUMS.

(a) IN GENERAL.—Section 103(b), as amended by this Act, is further amended by adding at the end the following new paragraph:

''(4) PROFESSIONAL STADIUM BOND.—Any professional stadium bond.''.

(b) PROFESSIONAL STADIUM BOND DEFINED.—Subsection (c) of section 103 is amended by adding at the end the following new paragraph:

''(3) PROFESSIONAL STADIUM BOND.—The term 'professional stadium bond' means any bond issued as part of an issue any proceeds of which are used to finance or refinance capital expenditures allocable to a facility (or appurtenant real property) which, during at least 5 days during any calendar year, is used as a stadium or arena for professional sports exhibitions, games, or training.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after November 2, 2017.

SA 1793. Mrs. FISCHER submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike section 13404 and insert the following:

SEC. 13404. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

(a) IN GENERAL.—

(1) ALLOWANCE OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 45S. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

''(a) ESTABLISHMENT OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the paid family and medical leave credit is an amount equal to the applicable percentage of the amount of wages paid to qualifying employees during any period in which such employees are on family and medical leave.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 12.5 percent increased (but not above 25 percent) by 0.25 percentage points for each percentage point by which the rate of payment (as described under subsection (c)(1)(B)) exceeds 50 percent.

''(b) LIMITATION.—

''(1) IN GENERAL.—The credit allowed under subsection (a) with respect to any employee for any taxable year shall not exceed an amount equal to the product of the normal hourly wage rate of such employee for each

hour (or fraction thereof) of actual services performed for the employer and the number of hours (or fraction thereof) for which family and medical leave is taken.

''(2) NON-HOURLY WAGE RATE.—For purposes of paragraph (1), in the case of any employee who is not paid on an hourly wage rate, the wages of such employee shall be prorated to an hourly wage rate under regulations established by the Secretary.

''(3) MAXIMUM AMOUNT OF LEAVE SUBJECT TO CREDIT.—The amount of family and medical leave that may be taken into account with respect to any employee under subsection (a) for any taxable year shall not exceed 12 weeks.

''(c) ELIGIBLE EMPLOYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible employer' means any employer who has in place a policy that meets the following requirements:

''(A) The policy provides—

''(i) in the case of a qualifying employee who is not a part-time employee (as defined in section 4980E(d)(4)(B)), not less than 2 weeks of annual paid family and medical leave, and

''(ii) in the case of a qualifying employee who is a part-time employee, an amount of annual paid family and medical leave that is not less than an amount which bears the same ratio to the amount of annual paid family and medical leave that is provided to a qualifying employee described in clause (i) as—

''(I) the number of hours the employee is expected to work during any week, bears to

''(II) the number of hours an equivalent qualifying employee described in clause (i) is expected to work during the week.

''(B) The policy requires that the rate of payment under the program is not less than 50 percent of the wages normally paid to such employee for services performed for the employer.

''(2) SPECIAL RULE FOR CERTAIN EMPLOYERS.—

''(A) IN GENERAL.—An added employer shall not be treated as an eligible employer unless such employer provides paid family and medical leave in compliance with a policy which ensures that the employer—

''(i) will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

''(ii) will not discharge or in any other manner discriminate against any individual for opposing any practice prohibited by the policy.

''(B) ADDED EMPLOYER; ADDED EMPLOYEE.—For purposes of this paragraph—

''(i) ADDED EMPLOYEE.—The term 'added employee' means a qualifying employee who is not covered by title I of the Family and Medical Leave Act of 1993, as amended.

''(ii) ADDED EMPLOYER.—The term 'added employer' means an eligible employer (determined without regard to this paragraph), whether or not covered by that title I, who offers paid family and medical leave to added employees.

''(3) AGGREGATION RULE.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(4) TREATMENT OF BENEFITS MANDATED OR PAID FOR BY STATE OR LOCAL GOVERNMENTS.—For purposes of this section, any leave which is paid by a State or local government or required by State or local law shall not be taken into account in determining the amount of paid family and medical leave provided by the employer.

''(5) NO INFERENCE.—Nothing in this subsection shall be construed as subjecting an employer to any penalty, liability, or other consequence (other than ineligibility for the credit allowed by reason of subsection (a) or recapturing the benefit of such credit) for failure to comply with the requirements of this subsection.

''(d) QUALIFYING EMPLOYEES.—For purposes of this section, the term 'qualifying employee' means any employee (as defined in section 3(e) of the Fair Labor Standards Act of 1938, as amended) who—

''(1) has been employed by the employer for 1 year or more, and

''(2) for the preceding year, had compensation not in excess of an amount equal to 60 percent of the amount applicable for such year under clause (i) of section 414(q)(1)(B).

''(e) FAMILY AND MEDICAL LEAVE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this section, the term 'family and medical leave' means leave for any 1 or more of the purposes described under subparagraph (A), (B), (C), (D), or (E) of paragraph (1), or paragraph (3), of section 102(a) of the Family and Medical Leave Act of 1993, as amended, whether the leave is provided under that Act or by a policy of the employer.

''(2) EXCLUSION.—If an employer provides paid leave as vacation leave, personal leave, or medical or sick leave (other than leave specifically for 1 or more of the purposes referred to in paragraph (1)), that paid leave shall not be considered to be family and medical leave under paragraph (1).

''(3) DEFINITIONS.—In this subsection, the terms 'vacation leave', 'personal leave', and 'medical or sick leave' mean those 3 types of leave, within the meaning of section 102(d)(2) of that Act.

''(f) DETERMINATIONS MADE BY SECRETARY OF TREASURY.—For purposes of this section, any determination as to whether an employer or an employee satisfies the applicable requirements for an eligible employer (as described in subsection (c)) or qualifying employee (as described in subsection (d)), respectively, shall be made by the Secretary based on such information, to be provided by the employer, as the Secretary determines to be necessary or appropriate.

''(g) WAGES.—For purposes of this section, the term 'wages' has the meaning given such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). Such term shall not include any amount taken into account for purposes of determining any other credit allowed under this subpart.

''(h) ELECTION TO HAVE CREDIT NOT APPLY.—

''(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

''(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (3) of section 51(j) shall apply for purposes of this subsection.

''(i) TERMINATION.—This section shall not apply to wages paid in taxable years beginning after December 31, 2019.''.

(b) CREDIT PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following new paragraph:

''(37) in the case of an eligible employer (as defined in section 45S(c)), the paid family and medical leave credit determined under section 45S(a).''.

(c) CREDIT ALLOWED AGAINST AMT.—Subparagraph (B) of section 38(c)(4) is amended by redesignating clauses (ix) through (xi) as clauses (x) through (xii), respectively, and by inserting after clause (viii) the following new clause:

''(ix) the credit determined under section 45S,''.

(d) CONFORMING AMENDMENTS.—

(1) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) is amended by inserting ''45S(a),'' after ''45P(a),''.

(2) ELECTION TO HAVE CREDIT NOT APPLY.—Section 6501(m) is amended by inserting ''45S(h),'' after ''45H(g),''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45S. Employer credit for paid family and medical leave.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid in taxable years beginning after December 31, 2017.

SA 1794. Mr. CASSIDY submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 55, strike line 6 and all that follows through page 66, line 16, and insert the following:

SEC. 11029. RELIEF FOR 2016 DISASTER AREAS.

(a) IN GENERAL.—For purposes of this section, the term ''2016 disaster area'' means any area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act during calendar year 2016.

(b) SPECIAL RULES FOR USE OF RETIREMENT FUNDS WITH RESPECT TO AREAS DAMAGED BY 2016 DISASTERS.—

(1) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

(A) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified 2016 disaster distribution.

(B) AGGREGATE DOLLAR LIMITATION.—

(i) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified 2016 disaster distributions for any taxable year shall not exceed the excess (if any) of—

(I) $100,000, over

(II) the aggregate amounts treated as qualified 2016 disaster distributions received by such individual for all prior taxable years.

(ii) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to clause (i)) be a qualified 2016 disaster distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified 2016 disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

(iii) CONTROLLED GROUP.—For purposes of clause (ii), the term ''controlled group'' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(C) AMOUNT DISTRIBUTED MAY BE REPAID.—

(i) IN GENERAL.—Any individual who receives a qualified 2016 disaster distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) of the Internal Revenue Code of 1986, as the case may be.

(ii) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, if a contribution is made pursuant to clause (i) with respect to a qualified 2016 disaster distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified 2016 disaster distribution in an eligible rollover distribution (as defined in section 402(c)(4) of the Internal Revenue Code of 1986) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(iii) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to clause (i) with respect to a qualified 2016 disaster distribution from an individual retirement plan (as defined by section 7701(a)(37) of the Internal Revenue Code of 1986), then, to the extent of the amount of the contribution, the qualified 2016 disaster distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(D) DEFINITIONS.—For purposes of this paragraph—

(i) QUALIFIED 2016 DISASTER DISTRIBUTION.—Except as provided in subparagraph (B), the term ''qualified 2016 disaster distribution'' means any distribution from an eligible retirement plan made on or after January 1, 2016, and before January 1, 2018, to an individual whose principal place of abode at any time during calendar year 2016 was located in a disaster area described in subsection (a) and who has sustained an economic loss by reason of the events giving rise to the Presidential declaration described in subsection (a) which was applicable to such area.

(ii) ELIGIBLE RETIREMENT PLAN.—The term ''eligible retirement plan'' shall have the meaning given such term by section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(E) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD.—

(i) IN GENERAL.—In the case of any qualified 2016 disaster distribution, unless the taxpayer elects not to have this subparagraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(ii) SPECIAL RULE.—For purposes of clause (i), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(F) SPECIAL RULES.—

(i) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified 2016 disaster distribution shall not be treated as eligible rollover distributions.

(ii) QUALIFIED 2016 DISASTER DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of the Internal Revenue Code of 1986, a qualified 2016 disaster distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of the Internal Revenue Code of 1986.

(2) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(A) IN GENERAL.—If this paragraph applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii)(I).

(B) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(i) IN GENERAL.—This paragraph shall apply to any amendment to any plan or annuity contract which is made—

(I) pursuant to any provision of this section, or pursuant to any regulation under any provision of this section; and

(II) on or before the last day of the first plan year beginning on or after January 1, 2018, or such later date as the Secretary prescribes.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subclause (II) shall be applied by substituting the date which is 2 years after the date otherwise applied under subclause (II).

(ii) CONDITIONS.—This paragraph shall not apply to any amendment unless—

(I) during the period—

(aa) beginning on the date that this section or the regulation described in clause (i)(I) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan); and

(bb) ending on the date described in clause (i)(II) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(II) such plan or contract amendment applies retroactively for such period.

(c) SPECIAL RULES FOR PERSONAL CASUALTY LOSSES RELATED TO 2016 MAJOR DISASTER.—

(1) IN GENERAL.—If an individual has a net disaster loss for any taxable year beginning after December 31, 2017, and before January 1, 2026—

(A) the amount determined under section 165(h)(2)(A)(ii) of the Internal Revenue Code of 1986 shall be equal to the sum of—

(i) such net disaster loss, and

(ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual,

(B) section 165(h)(1) of such Code shall be applied by substituting ''$500'' for ''$500 ($100 for taxable years beginning after December 31, 2009)'',

(C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and

(D) section 56(b)(1)(E) of such Code shall not apply to so much of the standard deduction as is attributable to the increase under subparagraph (C) of this paragraph.

(2) NET DISASTER LOSS.—For purposes of this subsection, the term ''net disaster loss'' means the excess of qualified disaster-related personal casualty losses over personal casualty gains (as defined in section 165(h)(3)(A) of the Internal Revenue Code of 1986).

(3) QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.—For purposes of this paragraph, the term ''qualified disaster-related personal casualty losses'' means losses described in section 165(c)(3) of the Internal Revenue Code of 1986 which arise in a disaster area described in subsection (a) on or after January 1, 2016, and which are attributable to the events giving rise to the Presidential declaration described in subsection (a) which was applicable to such area.

SA 1795. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

In section 20001(b), add at the end the following:

(6) CERTAIN REQUIREMENTS FOR LEASES.—The Secretary shall ensure that any lease issued under this section shall include—

(A) a requirement that the lessee comply with the Buy American requirements in Executive Order 13788 (82 Fed. Reg. 18837 (April 18, 2017)); and

(B) a requirement that any pipeline constructed under the lease use materials and equipment produced in the United States, to the maximum extent practicable, in accordance with the Presidential Memorandum for the Secretary of Commerce entitled ''Construction of American Pipelines'' (82 Fed. Reg. 8659 (January 24, 2017)).

SA 1796. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

In section 20001(b), add at the end the following:

(6) PROHIBITION ON EXPORTS.—A lease issued under this section shall include provisions prohibiting the exportation of oil or gas produced under the lease.

SA 1797. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Strike part VI of subtitle A of title I and insert the following:

PART VI—NIH AND FDA FUNDING

SEC. 11061. NIH AND FDA FUNDING.

(a) APPROPRIATION.—There is authorized to be appropriated, and there is appropriated, out of amounts in the Treasury not otherwise obligated, to the Secretary of Health and Human Services (referred to in this section as the ''Secretary''), $80,000,000,000 for fiscal year 2018, for the purpose of providing additional funding to the National Institutes of Health and the Food and Drug Administration. Amounts appropriated under this subsection shall remain available until expended.

(b) ALLOCATION.—The Secretary shall allocate the amount appropriated under subsection (a) to each of the Institutes of Health and the Food and Drug Administration by distributing to each such agency a portion of the amount so appropriated that bears the same relation to the total amount appropriated under subsection (a) as the amount of discretionary funds appropriated to such agency for fiscal year 2017 bears to the total amount of discretionary funding appropriated to both agencies for fiscal year 2017.

SA 1798. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr.

MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

Subtitle _____—Student Loan Forgiveness

SEC. _____01. SHORT TITLE.

This subtitle may be cited as the ''Student Loan Forgiveness Act of 2017''.

SEC. _____02. REPEAL OF INCREASED ESTATE AND GIFT TAX EXEMPTION AND REDUCTION IN CORPORATE TAX RATE.

Notwithstanding any other provision of law, sections 11061, 13001, and 13002 of this Act shall be repealed, and the Internal Revenue Code of 1986 shall be applied as if such sections, and the amendments made thereby, had never been enacted.

SEC. _____02. FEDERAL STUDENT LOAN FORGIVENESS.

(a) DEFINITION OF FEDERAL STUDENT LOAN.—In this section, the term ''Federal student loan'' means a loan that—

(1) originated before the date of enactment of this Act; and

(2) was made, insured, or guaranteed under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), including any loan made under part B, D, or E of such title.

(b) CANCELLATION OF ALL OUTSTANDING FEDERAL DIRECT STUDENT LOANS.—Notwithstanding title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or any other provision of law, the Secretary of Education shall, as appropriate for each Federal student loan—

(1) cancel the balance of interest, principal, and fees due on such loan as of the date of such cancellation; or

(2) assume, through the holder of such loan, the obligation to repay the balance of interest, principal, and fees due on such loan, as of the date of such assumption.

SA 1799. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of title I, insert the following:

Subtitle ____—Student Loan Refinancing

SEC. ___01. SHORT TITLE.

This subtitle may be cited as the ''Bank on Students Loan Refinancing Act of 2017''.

SEC. ___02. REPEAL OF INCREASED ESTATE AND GIFT TAX EXEMPTION.

Section 11061 of this Act is repealed and the Internal Revenue Code of 1986 shall be applied as if such section, and the amendments made thereby, had never taken effect.

SEC. ___03. REFINANCING PROGRAMS.

(a) PROGRAM AUTHORITY.—Section 451(a) of the Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is amended—

(1) by striking ''and (2)'' and inserting ''(2)''; and

(2) by inserting ''; and (3) to make loans under section 460A and section 460B'' after ''section 459A''.

(b) REFINANCING PROGRAM.—Part D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) is amended by adding at the end the following:

''SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT LOANS.

''(a) IN GENERAL.—Beginning not later than 180 days after the date of enactment of the Bank on Students Loan Refinancing Act of 2017, the Secretary shall establish a program under which the Secretary, upon the receipt of an application from a qualified borrower, makes a loan under this part, in accordance with the provisions of this section, in order to permit the borrower to obtain the interest rate provided under subsection (c).

''(b) REFINANCING DIRECT LOANS.—

''(1) FEDERAL DIRECT LOANS.—Upon application of a qualified borrower, the Secretary shall repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan of the qualified borrower, for which the first disbursement was made, or the application for the consolidation loan was received, before July 1, 2017, with the proceeds of a refinanced Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, a Federal Direct PLUS Loan, or a Federal Direct Consolidation Loan, respectively, issued to the borrower in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the original loan.

''(2) REFINANCING FFEL PROGRAM LOANS AS REFINANCED FEDERAL DIRECT LOANS.—Upon application of a qualified borrower for any loan that was made, insured, or guaranteed under part B and for which the first disbursement was made, or the application for the consolidation loan was received, before July 1, 2010, the Secretary shall make a loan under this part, in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the original loan to the borrower in accordance with the following:

''(A) The Secretary shall pay the proceeds of such loan to the eligible lender of the loan made, insured, or guaranteed under part B, in order to discharge the borrower from any remaining obligation to the lender with respect to the original loan.

''(B) A loan made under this section that was—

''(i) a loan originally made, insured, or guaranteed under section 428 shall be a Federal Direct Stafford Loan;

''(ii) a loan originally made, insured, or guaranteed under section 428B shall be a Federal Direct PLUS Loan;

''(iii) a loan originally made, insured, or guaranteed under section 428H shall be a Federal Direct Unsubsidized Stafford Loan; and

''(iv) a loan originally made, insured, or guaranteed under section 428C shall be a Federal Direct Consolidation Loan.

''(C) The interest rate for each loan made by the Secretary under this paragraph shall be the rate provided under subsection (c).

''(c) INTEREST RATES.—

''(1) IN GENERAL.—The interest rate for the refinanced Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, Federal Direct PLUS Loans, and Federal Direct Consolidation Loans, shall be a rate equal to—

''(A) in any case where the original loan was a loan under section 428 or 428H, a Federal Direct Stafford loan or a Federal Direct Unsubsidized Stafford Loan, that was issued to an undergraduate student, a rate equal to the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;

''(B) in any case where the original loan was a loan under section 428 or 428H, a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan, that was issued to a graduate or professional student, a rate equal to the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017;

''(C) in any case where the original loan was a loan under section 428B or a Federal Direct PLUS Loan, a rate equal to the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; and

''(D) in any case where the original loan was a loan under section 428C or a Federal Direct Consolidation Loan, a rate calculated in accordance with paragraph (2).

''(2) INTEREST RATES FOR CONSOLIDATION LOANS.—

''(A) METHOD OF CALCULATION.—In order to determine the interest rate for any refinanced Federal Direct Consolidation Loan under paragraph (1)(D), the Secretary shall—

''(i) determine each of the component loans that were originally consolidated in the loan under section 428C or the Federal Direct Consolidation Loan, and calculate the proportion of the unpaid principal balance of the loan under section 428C or the Federal Direct Consolidation Loan that each component loan represents;

''(ii) use the proportions determined in accordance with clause (i) and the interest rate applicable for each component loan, as determined under subparagraph (B), to calculate the weighted average of the interest rates on the loans consolidated into the loan under section 428C or the Federal Direct Consolidation Loan; and

''(iii) apply the weighted average calculated under clause (ii) as the interest rate for the refinanced Federal Direct Consolidation Loan.

''(B) INTEREST RATES FOR COMPONENT LOANS.—The interest rates for the component loans of a loan made under section 428C or a Federal Direct Consolidation Loan shall be the following:

''(i) The interest rate for any loan under section 428 or 428H, Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan issued to an undergraduate student shall be a rate equal to the lesser of—

''(I) the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

''(II) the original interest rate of the component loan.

''(ii) The interest rate for any loan under section 428 or 428H, Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan issued to a graduate or professional student shall be a rate equal to the lesser of—

''(I) the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

''(II) the original interest rate of the component loan.

''(iii) The interest rate for any loan under section 428B or Federal Direct PLUS Loan shall be a rate equal to the lesser of—

''(I) the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; or

''(II) the original interest rate of the component loan.

''(iv) The interest rate for any component loan that is a loan under section 428C or a Federal Direct Consolidation Loan shall be the weighted average of the interest rates that would apply under this subparagraph for each loan comprising the component consolidation loan.

''(v) The interest rate for any eligible loan that is a component of a loan made under section 428C or a Federal Direct Consolidation Loan and is not described in clauses (i)

through (iv) shall be the interest rate on the original component loan.

''(3) FIXED RATE.—The applicable rate of interest determined under paragraph (1) for a refinanced loan under this section shall be fixed for the period of the loan.

''(d) TERMS AND CONDITIONS OF LOANS.—

''(1) IN GENERAL.—A loan that is refinanced under this section shall have the same terms and conditions as the original loan, except as otherwise provided in this section.

''(2) NO AUTOMATIC EXTENSION OF REPAYMENT PERIOD.—Refinancing a loan under this section shall not result in the extension of the duration of the repayment period of the loan, and the borrower shall retain the same repayment term that was in effect on the original loan. Nothing in this paragraph shall be construed to prevent a borrower from electing a different repayment plan at any time in accordance with section 455(d)(3).

''(e) DEFINITION OF QUALIFIED BORROWER.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified borrower' means a borrower—

''(A) of a loan under this part or part B for which the first disbursement was made, or the application for a consolidation loan was received, before July 1, 2017; and

''(B) who meets the eligibility requirements based on income or debt-to-income ratio established by the Secretary.

''(2) INCOME REQUIREMENTS.—Not later than 180 days after the date of enactment of the Bank on Students Loan Refinancing Act of 2017, the Secretary shall establish eligibility requirements based on income or debt-to-income ratio that take into consideration providing access to refinancing under this section for borrowers with the greatest financial need.

''(f) NOTIFICATION TO BORROWERS.—The Secretary, in coordination with the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to alert borrowers of loans that are eligible for refinancing under this section that the borrowers are eligible to apply for such refinancing. The campaign shall include the following activities:

''(1) Developing consumer information materials about the availability of Federal student loan refinancing.

''(2) Requiring servicers of loans under this part or part B to provide such consumer information to borrowers in a manner determined appropriate by the Secretary, in consultation with the Director of the Bureau of Consumer Financial Protection.

''SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PRIVATE EDUCATION LOAN.—The term 'eligible private education loan' means a private education loan, as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)), that—

''(A) was disbursed to the borrower before July 1, 2017; and

''(B) was for the borrower's own postsecondary educational expenses for an eligible program at an institution of higher education participating in the loan program under this part, as of the date that the loan was disbursed.

''(2) FEDERAL DIRECT REFINANCED PRIVATE LOAN.—The term 'Federal Direct Refinanced Private Loan' means a loan issued under subsection (b)(1).

''(3) PRIVATE EDUCATIONAL LENDER.—The term 'private educational lender' has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).

''(4) QUALIFIED BORROWER.—The term 'qualified borrower' means an individual who—

''(A) has an eligible private education loan;

''(B) has been current on payments on the eligible private education loan for the 6 months prior to the date of the qualified borrower's application for refinancing under this section, and is in good standing on the loan at the time of such application;

''(C) is not in default on the eligible private education loan or on any loan made, insured, or guaranteed under this part or part B or E; and

''(D) meets the eligibility requirements described in subsection (b)(2).

''(b) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury, shall carry out a program under which the Secretary, upon application by a qualified borrower who has an eligible private education loan, shall issue such borrower a loan under this part in accordance with the following:

''(A) The loan issued under this program shall be in an amount equal to the sum of the unpaid principal, accrued unpaid interest, and late charges of the private education loan.

''(B) The Secretary shall pay the proceeds of the loan issued under this program to the private educational lender of the private education loan, in order to discharge the qualified borrower from any remaining obligation to the lender with respect to the original loan.

''(C) The Secretary shall require that the qualified borrower undergo loan counseling that provides all of the information and counseling required under clauses (i) through (viii) of section 485(b)(1)(A) before the loan is refinanced in accordance with this section, and before the proceeds of such loan are paid to the private educational lender.

''(D) The Secretary shall issue the loan as a Federal Direct Refinanced Private Loan, which shall have the same terms, conditions, and benefits as a Federal Direct Unsubsidized Stafford Loan, except as otherwise provided in this section.

''(2) BORROWER ELIGIBILITY.—Not later than 180 days after the date of enactment of the Bank on Students Loan Refinancing Act of 2017, the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall establish eligibility requirements—

''(A) based on income or debt-to-income ratio that take into consideration providing access to refinancing under this section for borrowers with the greatest financial need;

''(B) to ensure eligibility only for borrowers in good standing;

''(C) to minimize inequities between Federal Direct Refinanced Private Loans and other Federal student loans;

''(D) to preclude windfall profits for private educational lenders; and

''(E) to ensure full access to the program authorized in this subsection for borrowers with private loans who otherwise meet the criteria established in accordance with subparagraphs (A) and (B).

''(c) INTEREST RATE.—

''(1) IN GENERAL.—The interest rate for a Federal Direct Refinanced Private Loan is—

''(A) in the case of a Federal Direct Refinanced Private Loan for a private education loan originally issued for undergraduate postsecondary educational expenses, a rate equal to the rate for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans issued to undergraduate students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017; and

''(B) in the case of a Federal Direct Refinanced Private Loan for a private education loan originally issued for graduate or professional degree postsecondary educational expenses, a rate equal to the rate for Federal Direct Unsubsidized Stafford Loans issued to graduate or professional students for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017.

''(2) COMBINED UNDERGRADUATE AND GRADUATE STUDY LOANS.—If a Federal Direct Refinanced Private Loan is for a private education loan originally issued for both undergraduate and graduate or professional postsecondary educational expenses, the interest rate shall be a rate equal to the rate for Federal Direct PLUS Loans for the 12-month period beginning on July 1, 2016, and ending on June 30, 2017.

''(3) FIXED RATE.—The applicable rate of interest determined under this subsection for a Federal Direct Refinanced Private Loan shall be fixed for the period of the loan.

''(d) NO INCLUSION IN AGGREGATE LIMITS.—The amount of a Federal Direct Refinanced Private Loan or a Federal Direct Consolidated Loan to the extent such loan was used to repay a Federal Direct Refinanced Private Loan, shall not be included in calculating a borrower's annual or aggregate loan limits under section 428 or 428H.

''(e) NO ELIGIBILITY FOR SERVICE-RELATED REPAYMENT.—Notwithstanding sections 428K(a)(2)(A), 428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct Refinanced Private Loan, or any Federal Direct Consolidation Loan to the extent such loan was used to repay a Federal Direct Refinanced Private Loan, shall not be eligible for any loan repayment or loan forgiveness program under section 428K, 428L, or 460 or for the repayment plan for public service employees under section 455(m).

''(f) PRIVATE EDUCATIONAL LENDER REPORTING REQUIREMENT.—

''(1) REPORTING REQUIRED.—Not later than 180 days after the date of enactment of the Bank on Students Loan Refinancing Act of 2017, the Secretary, in consultation with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall establish a requirement that private educational lenders report the data described in paragraph (2) to the Secretary, to Congress, to the Secretary of the Treasury, and to the Director of the Bureau of Consumer Financial Protection, in order to allow for an assessment of the private education loan market.

''(2) CONTENTS OF REPORTING.—The data that private educational lenders shall report in accordance with paragraph (1) shall include each of the following about private education loans (as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a))):

''(A) The total amount of private education loan debt the lender holds.

''(B) The total number of private education loan borrowers the lender serves.

''(C) The average interest rate on the outstanding private education loan debt held by the lender.

''(D) The proportion of private education loan borrowers who are in default on a loan held by the lender.

''(E) The proportion of the outstanding private education loan volume held by the lender that is in default.

''(F) The proportions of outstanding private education loan borrowers who are 30, 60, and 90 days delinquent.

''(G) The proportions of outstanding private education loan volume that is 30, 60, and 90 days delinquent.

''(g) NOTIFICATION TO BORROWERS.—The Secretary, in coordination with the Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, shall undertake a campaign to alert borrowers about the availability of private student loan refinancing under this section.''.

(c) AMENDMENTS TO PUBLIC SERVICE REPAYMENT PLAN PROVISIONS.—Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (2) the following:

''(3) SPECIAL RULES FOR SECTION 460A LOANS.—

''(A) REFINANCED FEDERAL DIRECT LOANS.—Notwithstanding paragraph (1), in determining the number of monthly payments that meet the requirements of such paragraph for an eligible Federal Direct Loan refinanced under section 460A that was originally a loan under this part, the Secretary shall include all monthly payments made on the original loan that meet the requirements of such paragraph.

''(B) REFINANCED FFEL LOANS.—In the case of an eligible Federal Direct Loan refinanced under section 460A that was originally a loan under part B, only monthly payments made after the date on which the loan was refinanced may be included for purposes of paragraph (1).''; and

(3) in paragraph (4)(A) (as redesignated by paragraph (1)), by inserting ''(including any Federal Direct Stafford Loan, Federal Direct PLUS Loan, Federal Direct Unsubsidized Stafford Loan, or Federal Direct Consolidation Loan refinanced under section 460A)'' before the period at the end.

(d) INCOME-BASED REPAYMENT.—Section 493C of the Higher Education Act of 1965 (20 U.S.C. 1098e) is amended by adding at the end the following:

''(f) SPECIAL RULE FOR REFINANCED LOANS.—

''(1) REFINANCED FEDERAL DIRECT AND FFEL LOANS.—In calculating the period of time during which a borrower of a loan that is refinanced under section 460A has made monthly payments for purposes of subsection (b)(7), the Secretary shall deem the period to include all monthly payments made for the original loan, and all monthly payments made for the refinanced loan, that otherwise meet the requirements of this section.

''(2) FEDERAL DIRECT REFINANCED PRIVATE LOANS.—In calculating the period of time during which a borrower of a Federal Direct Refinanced Private Loan under section 460B has made monthly payments for purposes of subsection (b)(7), the Secretary shall include only payments—

''(A) that are made after the date of the issuance of the Federal Direct Refinanced Private Loan; and

''(B) that otherwise meet the requirements of this section.''.

SA 1800. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of title I, add the following:

Subtitle F—Rebuild America Now

SEC. 16001. SHORT TITLE.

This subtitle may be cited as the ''Rebuild America Act of 2017''.

SEC. 16002. REPEAL OF INCREASED ESTATE AND GIFT TAX EXEMPTION AND REDUCTION IN CORPORATE TAX RATE.

The amendments made by sections 11061, 13001, and 13002 of this Act are repealed and shall be applied as if they had never taken effect.

SEC. 16003. NON-FEDERAL COST SHARE OF AFFECTED PROGRAMS.

Notwithstanding any other provision of law (including regulations), the non-Federal share of the cost of any activity carried out using funds provided by this subtitle or an amendment made by this subtitle shall be an amount equal to the product obtained by multiplying—

(1) the non-Federal cost share of the activity, as in effect on the day before the date of enactment of this Act; and

(2) 0.5.

PART I—INFRASTRUCTURE PROGRAMS

SEC. 16011. TRANSPORTATION INFRASTRUCTURE.

(a) HIGHWAY TRUST FUND.—Out of funds of the Treasury not otherwise appropriated, in addition to any other funds made available for the Highway Trust Fund, there is appropriated $75,000,000,000 for each of fiscal years 2018 through 2025 to the Highway Trust Fund to improve roads, bridges, and other transportation infrastructure in the United States.

(b) INTERCITY PASSENGER AND HIGH-SPEED RAIL SERVICE.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $15,000,000,000 for each of fiscal years 2018 through 2022 to the Secretary of Transportation—

(1) to make quarterly grants to the National Railroad Passenger Corporation for the operation of intercity passenger rail, as authorized by section 101 of the Passenger Rail Investment and Improvement Act of 2008 (division B of Public Law 110–432; 122 Stat. 4908);

(2) to make discretionary grants to States to pay the cost of projects described in subparagraphs (A) and (B) of section 24401(2) of title 49, United States Code, subject to the condition that the Secretary of Transportation shall give priority to projects that support the development of intercity high-speed rail service; and

(3) to carry out section 5309 of title 49, United States Code.

(c) TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $2,000,000,000 for each of fiscal years 2018 through 2022 to provide credit assistance for surface transportation projects of national and regional significance in accordance with chapter 6 of title 23, United States Code.

(d) AIRPORT IMPROVEMENT.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $2,500,000,000 for each of fiscal years 2018 through 2022 to implement airport improvement and noise compatibility projects at public-use airports in accordance with subchapter I of chapter 471 of title 49, United States Code.

(e) NEXT GENERATION AIR TRANSPORTATION SYSTEM.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $3,500,000,000 for each of fiscal years 2018 through 2022 to the Next Generation Air Transportation System Joint Planning and Development Office of the Federal Aviation Administration to accelerate deployment of satellite technology to improve airport safety and capacity.

(f) NATIONAL INFRASTRUCTURE INVESTMENTS.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $5,000,000,000 for each of fiscal years 2018 through 2022 for the discretionary grant program under title I of division K of the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113–235) (commonly referred to as the ''TIGER Discretionary Grant Program''), subject to the condition that, for projects carried out under that program that are located in rural areas, the Secretary of Transportation may increase the Federal share of the costs of the project to 100 percent.

SEC. 16012. WATER INFRASTRUCTURE.

(a) STATE WATER POLLUTION CONTROL REVOLVING FUNDS.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $6,000,000,000 for each of fiscal years 2018 through 2022 to the Administrator of the Environmental Protection Agency to make capitalization grants to States for the purpose of establishing water pollution control revolving funds under title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.).

(b) STATE DRINKING WATER TREATMENT REVOLVING LOAN FUNDS.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $6,000,000,000 for each of fiscal years 2018 through 2022 to the Administrator of the Environmental Protection Agency to make capitalization grants to States for the purpose of establishing drinking water treatment revolving loan funds under section 1452(a) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)).

(c) WATER INFRASTRUCTURE FINANCE AND INNOVATION.—Out of funds of the Treasury not otherwise appropriated, in addition to the amounts made available under section 5033(a) of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3912(a)), there is appropriated $2,000,000,000 for each of fiscal years 2018 through 2022 the Administrator of the Environmental Protection Agency to provide long-term, low-interest loans for large water infrastructure projects that are not eligible for funding from a State revolving loan fund, in accordance with the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3901 et seq.).

(d) NON-FEDERAL DAMS AND LEVEES.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $2,000,000,000 to the Director of the Federal Emergency Management Agency to carry out the predisaster hazard mitigation program under section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) for each of fiscal years 2018 through 2022 for—

(1) minor localized flood reduction projects; and

(2) major flood risk reduction projects.

(e) INLAND WATERWAYS.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $1,500,000,000 for each of fiscal years 2018 through 2022 to the Construction Account of the Corps of Engineers for the construction, replacement, rehabilitation, and expansion of inland waterways projects to improve the movement and transport of goods, subject to the condition that, notwithstanding any other provision of law, none of the amounts provided by this subsection may be cost-shared with any amounts from the Inland Waterways Trust Fund established by section 9506(a) of the Internal Revenue Code of 1986.

(f) HARBOR MAINTENANCE.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $1,500,000,000 for each of fiscal years 2018 through 2022 to the Operation and Maintenance Account of the Corps of Engineers for the eligible operations and maintenance costs of all coastal harbors and channels and for inland harbors to improve the movement of goods through marine ports in the United States.

(g) DAMS AND LEVEES.—

(1) IN GENERAL.—Subject to paragraph (2), out of funds of the Treasury not otherwise appropriated, there is appropriated $10,000,000,000 for each of fiscal years 2018 through 2022 to the Construction Account of the Corps of Engineers for the following activities:

(A) Activities falling within Dam Safety and Levee Safety Action Classifications 1, 2, and 3.

(B) Activities authorized by subtitle B of title III of the Water Resources Reform and Development Act of 2014 (Public Law 113–121; 128 Stat. 1284) (including the amendments made by that subtitle).

(C) Assistance for flood damage reduction activities authorized by the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3901 et seq.).

(2) REQUIREMENTS.—The Secretary of the Army, acting through the Chief of Engineers—

(A) may use the funds appropriated pursuant to this subsection to carry out authorized flood damage reduction and coastal storm damage reduction activities, including the activities authorized by—

(i) section 1001 of the Water Resources Development Act of 2007 (Public Law 110–114; 121 Stat. 1049); and

(ii) section 7002 of the Water Resources Reform and Development Act of 2014 (Public Law 113–121; 128 Stat. 1364); and

(B) shall have unlimited reprogramming authority with respect to those funds.

SEC. 16013. NATIONAL PARK SERVICE.

Out of funds of the Treasury not otherwise appropriated, there is appropriated $3,000,000,000 for each of fiscal years 2018 through 2022 for—

(1) expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service; and

(2) the general administration of the National Park Service.

SEC. 16014. MISCELLANEOUS INFRASTRUCTURE.

(a) BROADBAND INITIATIVES PROGRAM.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $2,500,000,000 for each of fiscal years 2018 through 2022 for the broadband initiatives program established under title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) to expand the access and quality of broadband service across the rural United States.

(b) BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $2,500,000,000 for each of fiscal years 2018 through 2022 to the Assistant Secretary of Commerce for Communications and Information to make grants for purposes of the Broadband Technology Opportunities Program established under section 6001(a) of the American Recovery and Reinvestment Act of 2009 (47 U.S.C. 1305(a)), including providing access and improving broadband service to underserved areas of the United States.

(c) ELECTRIC GRID.—Out of funds of the Treasury not otherwise appropriated, there is appropriated $10,000,000,000 for each of fiscal years 2018 through 2022 to the Secretary of Energy for expenses necessary for—

(1) electricity delivery and energy reliability activities to modernize the electric grid, including activities relating to—

(A) demand responsive equipment;

(B) enhanced security and reliability of the energy infrastructure;

(C) energy storage research, development, demonstration, and deployment; and

(D) facilitating recovery from disruptions to the energy supply; and

(2) implementation of the programs authorized under title XIII of the Energy Independence and Security Act of 2007 (42 U.S.C. 17381 et seq.).

SEC. 16015. MAINTENANCE OF FUNDING; ADMINISTRATIVE EXPENSES.

(a) MAINTENANCE OF FUNDING.—The funding provided to any program or account under this part shall supplement (and not supplant) any funding provided for that program or account under any other provision of law.

(b) ADMINISTRATIVE EXPENSES.—Notwithstanding any other provision of law (including regulations), a Federal department or agency that receives funds pursuant to this subtitle may use not more than 5 percent of the funds for administrative expenses.

PART II—NATIONAL INFRASTRUCTURE BANK

SEC. 16021. DEFINITIONS.

For purposes of this part, the following definitions shall apply, unless the context requires otherwise:

(1) BANK.—The term ''Bank'' means the National Infrastructure Development Bank established under section 16022(a).

(2) BOARD.—The term ''Board'' means the National Infrastructure Development Bank Board.

(3) CHIEF ASSET AND LIABILITY MANAGEMENT OFFICER.—The term ''chief asset and liability management officer'' means the chief individual responsible for coordinating the management of assets and liabilities of the Bank.

(4) CHIEF COMPLIANCE OFFICER; CCO.—The term ''chief compliance officer'' or ''CCO'' means the chief individual responsible for overseeing and managing the compliance and regulatory affairs issues of the Bank.

(5) CHIEF FINANCIAL OFFICER; CFO.—The term ''chief financial officer'' or ''CFO'' means the chief individual responsible for managing the financial risks, planning, and reporting of the Bank.

(6) CHIEF LOAN ORIGINATION OFFICER.—The term ''chief loan origination officer'' means the chief individual responsible for the processing of new loans provided by the Bank.

(7) CHIEF OPERATIONS OFFICER; COO.—The term ''chief operations officer'' or ''COO'' means the chief individual responsible for information technology and the day-to-day operations of the Bank.

(8) CHIEF RISK OFFICER; CRO.—The term ''chief risk officer'' or ''CRO'' means the chief individual responsible for managing operational and compliance-related risks of the Bank.

(9) CHIEF TREASURY OFFICER.—The term ''chief treasury officer'' means the chief individual responsible for managing the Bank's treasury operations.

(10) DEVELOP; DEVELOPMENT.—The terms ''develop'' and ''development'' mean, with respect to an infrastructure project, any—

(A) preconstruction planning, feasibility review, permitting, design work, and other preconstruction activities; and

(B) construction, reconstruction, rehabilitation, replacement, or expansion.

(11) DISADVANTAGED COMMUNITY.—The term ''disadvantaged community'' means a community with a median household income of less than 80 percent of the statewide median household income for the State in which the community is located.

(12) ENERGY INFRASTRUCTURE PROJECT.—The term ''energy infrastructure project'' means any project for energy transmission, energy efficiency enhancement for buildings, public housing and federally assisted multifamily housing, and schools, renewable energy, and energy storage.

(13) ENTITY.—The term ''entity'' means an individual, corporation, partnership (including a public-private partnership), joint venture, trust, and a State or other governmental entity, including a political subdivision or any other instrumentality of a State or a revolving fund.

(14) ENVIRONMENTAL INFRASTRUCTURE PROJECT.—The term ''environmental infrastructure project'' means any project for the establishment, maintenance, or enhancement of any drinking water and wastewater treatment facility, storm water management system, dam, levee, open space management system, solid waste disposal facility, hazardous waste facility, industrial site cleanup, or redevelopment of a brownfield site (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601)).

(15) EXECUTIVE DIRECTOR.—The term ''executive director'' means the individual serving as the chief executive officer of the Bank.

(16) GENERAL COUNSEL.—The term ''general counsel'' means the individual who serves as the chief lawyer for the Bank.

(17) INFRASTRUCTURE PROJECT.—The term ''infrastructure project'' means any energy, environmental, telecommunications, data, or transportation infrastructure project.

(18) PUBLIC BENEFIT BOND.—The term ''public benefit bond'' means a bond issued with respect to an infrastructure project in accordance with this part if—

(A) the net spendable proceeds from the sale of the issue may be used for expenditures incurred after the date of issuance with respect to the project, subject to the rules of the Bank;

(B) the bond issued by the Bank is in registered form and meets the requirements of this part and otherwise applicable law;

(C) the term of each bond which is part of the issue is greater than 30 years; and

(D) the payment of principal with respect to the bond is the obligation of the Bank.

(19) PUBLIC-PRIVATE PARTNERSHIP.—The term ''public-private partnership'' means any entity—

(A)(i) which is undertaking the development of all or part of an infrastructure project, which will have a public benefit, pursuant to requirements established in one or more contracts between the entity and a State or an instrumentality of a State; or

(ii) the activities of which, with respect to such an infrastructure project, are subject to regulation by a State or any instrumentality of a State; and

(B) which owns, leases, or operates, or will own, lease, or operate, the project in whole or in part, and at least one of the participants in the entity is a nongovernmental entity.

(20) REVOLVING FUND.—The term ''revolving fund'' means a fund or program established by a State or a political subdivision or other instrumentality of a State, the principal activity of which is to make loans, commitments, or other financial accommodation available for the development of one or more categories of infrastructure projects.

(21) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury (or a designee).

(22) SMART GRID.—The term ''smart grid'' means a system that provides for any of the smart grid functions set forth in section 1306(d) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17386(d)).

(23) SMART GROWTH.—The term ''smart growth'' means development that avoids sprawl, including any activity—

(A) relating to policy analysis (such as reviewing State and local codes, school siting guidelines, and transportation policies) or a public participatory process (such as visioning, design workshops, alternative analysis, and build-out analysis); and

(B) activities similar to those carried out pursuant to the Department of Housing and Urban Development-Department of Transportation-Environmental Protection Agency Partnership for Sustainable Communities.

(24) STATE.—The term ''State'' includes the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and any other territory of the United States.

(25) TELECOMMUNICATIONS INFRASTRUCTURE PROJECT.—

(A) IN GENERAL.—The term ''telecommunications infrastructure project'' means any

project involving infrastructure required to provide information by wire or radio.

(B) INCLUSIONS.—The term ''telecommunications infrastructure project'' includes—

(i) a project carried out by a State, county, or municipal agency;

(ii) a community-owned project; and

(iii) any other project administered by a public provider.

(26) TRANSPORTATION INFRASTRUCTURE PROJECT.—The term ''transportation infrastructure project'' means any project for the construction, maintenance, or enhancement of highways, roads, bridges, transit and intermodal systems, inland waterways, commercial ports, airports, intercity bus, high-speed rail, and freight rail systems.

SEC. 16022. ESTABLISHMENT OF NATIONAL INFRASTRUCTURE DEVELOPMENT BANK.

(a) ESTABLISHMENT OF NATIONAL INFRASTRUCTURE DEVELOPMENT BANK.—The National Infrastructure Development Bank is established as a wholly owned Government corporation subject to chapter 91 of title 31, United States Code (commonly known as the ''Government Corporation Control Act''), except as otherwise provided in this part.

(b) RESPONSIBILITY OF THE SECRETARY.—The Secretary shall take such action as may be necessary to assist in implementing the establishment of the Bank in accordance with this part.

(c) CONFORMING AMENDMENT.—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (N) the following:

''(O) the National Infrastructure Development Bank.''.

SEC. 16023. BOARD OF DIRECTORS.

(a) IN GENERAL.—The Bank shall have a Board of Directors consisting of 5 members appointed by the President, by and with the advice and consent of the Senate.

(b) QUALIFICATIONS.—The directors of the Board shall include individuals representing different regions of the United States and—

(1) 2 of the directors shall have public sector experience; and

(2) 3 of the directors shall have private sector experience.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—As designated at the time of appointment, one of the directors of the Board shall be designated chairperson of the Board by the President and one shall be designated as vice chairperson of the Board by the President.

(d) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (f), each director shall be appointed for a term of 6 years.

(2) INITIAL STAGGERED TERMS.—Of the initial members of the Board—

(A) the chairperson and vice chairperson shall be appointed for terms of 6 years;

(B) 1 shall be appointed for a term of 5 years;

(C) 1 shall be appointed for a term of 4 years; and

(D) 1 shall be appointed for a term of 3 years.

(e) DATE OF INITIAL NOMINATIONS.—The initial nominations by the President for appointment of directors to the Board shall be made not later than 60 days after the date of enactment of this Act.

(f) VACANCIES.—

(1) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made.

(2) APPOINTMENT TO REPLACE DURING TERM.—Any director appointed to fill a vacancy occurring before the expiration of the term for which the director's predecessor was appointed shall be appointed only for the remainder of the term.

(3) DURATION.—A director may serve after the expiration of that director's term until a successor has taken office.

(g) QUORUM.—Three directors shall constitute a quorum.

(h) REAPPOINTMENT.—A director of the Board appointed by the President may be reappointed by the President in accordance with this section.

(i) PER DIEM REIMBURSEMENT.—Directors of the Board shall serve on a part-time basis and shall receive a per diem when engaged in the actual performance of Bank business, plus reasonable reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

(j) LIMITATIONS.—A director of the Board may not participate in any review or decision affecting a project under consideration for assistance under this part if the director has or is affiliated with a person who has an interest in such project.

(k) POWERS AND LIMITATIONS OF THE BOARD.—

(1) POWERS.—In order to carry out the purposes of the Bank as set forth in this part, the Board shall be responsible for monitoring and overseeing infrastructure projects and have the following powers:

(A) To make senior and subordinated loans and purchase senior and subordinated debt securities and enter into a binding commitment to make any such loan or purchase any such security, on such terms as the Board may determine, in the Board's discretion, to be appropriate, the proceeds of which are to be used to finance or refinance the development of one or more infrastructure projects.

(B) To issue and sell debt securities of the Bank on such terms as the Board shall determine from time to time.

(C) To issue public benefit bonds and to provide direct subsidies to infrastructure projects from amounts made available from the issuance of such bonds.

(D) To make loan guarantees.

(E) To make agreements and contracts with any entity in furtherance of the business of the Bank.

(F) To borrow on the global capital market and lend to regional, State, and local entities, and commercial banks for the purpose of funding infrastructure projects.

(G) To purchase, pool, and sell infrastructure-related loans and securities on the global capital market.

(H) To purchase in the open market any of the Bank's outstanding obligations at any time and at any price.

(I) To monitor and oversee infrastructure projects financed, in whole or in part, by the Bank.

(J) To acquire, lease, pledge, exchange, and dispose of real and personal property and otherwise exercise all the usual incidents of ownership of property to the extent the exercise of such powers are appropriate to and consistent with the purposes of the Bank.

(K) To sue and be sued in the Bank's corporate capacity in any court of competent jurisdiction, except that no attachment, injunction, or similar process, may be issued against the property of the Bank or against the Bank with respect to such property.

(L) To indemnify the directors and officers of the Bank for liabilities arising out of the actions of the directors and officers in such capacity, in accordance with, and subject to the limitations contained in this part.

(M) To serve as the primary liaison between the Bank, Congress, the executive branch, and State and local governments and to represent the Bank's interests.

(N) To exercise all other lawful powers which are necessary or appropriate to carry out, and are consistent with, the purposes of the Bank.

(2) LIMITATIONS.—

(A) ISSUANCE OF DEBT SECURITY.—The Board may not issue any debt security without the prior consent of the Secretary.

(B) ISSUANCE OF VOTING SECURITY.—The Board may not issue any voting security in the Bank to any entity other than the Secretary.

(C) EMPLOYEE PROTECTIONS.—Prior to providing any financial assistance for an infrastructure project involving reconstruction, rehabilitation, replacement, or expansion that may affect current employees on the project site, the interests of those affected employees shall be protected in accordance with such arrangements as the Secretary of Labor determines to be fair and equitable.

(3) ACTIONS CONSISTENT WITH SELF-SUPPORTING ENTITY STATUS.—The Board shall conduct its business in a manner consistent with the requirements of this section.

(4) COORDINATION WITH STATE AND LOCAL REGULATORY AUTHORITY.—The provision of financial assistance by the Board pursuant to this part shall not be construed as—

(A) limiting the right of any State or political subdivision or other instrumentality of a State to approve or regulate rates of return on private equity invested in a project; or

(B) otherwise superseding any State law or regulation applicable to a project.

(5) FEDERAL PERSONNEL REQUESTS.—The Board shall have the power to request the detail, on a reimbursable basis, of personnel from other Federal agencies with specific expertise not available from within the Bank or elsewhere. The head of any Federal agency may detail, on a reimbursable basis, any personnel of such agency requested by the Board and shall not withhold unreasonably the detail of any personnel requested by the Board.

(l) MEETINGS.—

(1) OPEN TO THE PUBLIC; NOTICE.—All meetings of the Board held to conduct the business of the Bank shall be open to the public and shall be preceded by reasonable notice.

(2) INITIAL MEETING.—The Board shall meet not later than 90 days after the date on which all directors of the Board are first appointed and otherwise at the call of the Chairperson.

(3) EXCEPTION FOR CLOSED MEETINGS.—Pursuant to such rules as the Board may establish through their bylaws, the directors may close a meeting of the Board if, at the meeting, there is likely to be disclosed information which could adversely affect or lead to speculation relating to an infrastructure project under consideration for assistance under this part or in financial or securities or commodities markets or institutions, utilities, or real estate. The determination to close any meeting of the Board shall be made in a meeting of the Board, open to the public, and preceded by reasonable notice. The Board shall prepare minutes of any meeting which is closed to the public and make such minutes available as soon as the considerations necessitating closing such meeting no longer apply.

SEC. 16024. EXECUTIVE COMMITTEE.

(a) IN GENERAL.—The Board shall have an executive committee consisting of 9 members, headed by the executive director of the Bank.

(b) EXECUTIVE DIRECTOR.—A majority of the Board shall have the authority to appoint and reappoint the executive director.

(c) CEO.—The executive director shall be the chief executive officer of the Bank, with such executive functions, powers, and duties as may be prescribed by this part, the bylaws of the Bank, or the Board.

(d) OTHER EXECUTIVE OFFICERS.—The Board shall appoint, remove, fix the compensation, and define duties of 8 other executive officers to serve on the executive committee as the—

(1) chief compliance officer;

(2) chief financial officer;

(3) chief asset and liability management officer;
(4) chief loan origination officer;
(5) chief operations officer;
(6) chief risk officer;
(7) chief treasury officer; and
(8) general counsel.

(e) QUALIFICATIONS.—The executive director and other executive officers shall have demonstrated experience and expertise in one or more of the following:
(1) Transportation infrastructure.
(2) Environmental infrastructure.
(3) Energy infrastructure.
(4) Telecommunications infrastructure.
(5) Economic development.
(6) Workforce development.
(7) Public health.
(8) Private or public finance.

(f) DUTIES.—In order to carry out the purposes of the Bank as set forth in this part, the executive committee shall—
(1) establish disclosure and application procedures for entities nominating projects for assistance under this part;
(2) accept, for consideration, project proposals relating to the development of infrastructure projects, which meet the basic criteria established by the Board, and which are submitted by an entity;
(3) provide recommendations to the Board and place project proposals accepted by the executive committee on a list for consideration for financial assistance from the Board; and
(4) provide technical assistance to entities receiving financing from the Bank and otherwise implement decisions of the Board.

(g) VACANCY.—A vacancy in the position of executive director shall be filled in the manner in which the original appointment was made.

(h) COMPENSATION.—The compensation of the executive director and other executive officers of the executive committee shall be determined by the Board.

(i) REMOVAL.—The executive director and other executive officers may be removed at the discretion of a majority of the Board.

(j) TERM.—The executive director and other executive officers shall serve a 6-year term and may be reappointed in accordance with this section.

(k) LIMITATIONS.—The executive director and other executive officers shall not—
(1) hold any other public office;
(2) have any interest in an infrastructure project considered by the Board;
(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and
(4) have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

SEC. 16025. RISK MANAGEMENT COMMITTEE.

(a) ESTABLISHMENT OF RISK MANAGEMENT COMMITTEE.—The Bank shall establish a risk management committee consisting of 5 members, headed by the chief risk officer.

(b) APPOINTMENTS.—A majority of the Board shall have the authority to appoint and reappoint the CRO of the Bank.

(c) FUNCTIONS; DUTIES.—
(1) IN GENERAL.—The CRO shall have such functions, powers, and duties as may be prescribed by one or more of the following: this part, the bylaws of the Bank, and the Board. The CRO shall report directly to the Board.
(2) RISK MANAGEMENT DUTIES.—In order to carry out the purposes of this part, the risk management committee shall—
(A) create financial, credit, and operational risk management guidelines and policies to be adhered to by the Bank;
(B) set guidelines to ensure diversification of lending activities by both region and infrastructure project type;
(C) create conforming standards for infrastructure finance securities;
(D) monitor financial, credit and operational exposure of the Bank; and
(E) provide financial recommendations to the Board.

(d) OTHER RISK MANAGEMENT OFFICERS.—The Board shall appoint, remove, fix the compensation, and define the duties of 4 other risk management officers to serve on the risk management committee.

(e) QUALIFICATIONS.—The CRO and other risk management officers shall have demonstrated experience and expertise in one or more of the following:
(1) Treasury and asset and liability management.
(2) Investment regulations.
(3) Insurance.
(4) Credit risk management and credit evaluations.
(5) Related disciplines.

(f) VACANCY.—A vacancy in the position of CRO or any other risk management officer shall be filled in the manner in which the original appointment was made.

(g) COMPENSATION.—The compensation of the CRO and other risk management officers shall be determined by the Board.

(h) REMOVAL.—The CRO and any other risk management officers may be removed at the discretion of a majority of the Board.

(i) TERM.—The CRO and other risk management officers shall serve a 6-year term and may be reappointed in accordance with this section.

(j) LIMITATIONS.—The CRO and other risk management officers shall not—
(1) hold any other public office;
(2) have any interest in an infrastructure project considered by the Board;
(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and
(4) have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

SEC. 16026. AUDIT COMMITTEE.

(a) IN GENERAL.—The Bank shall have an audit committee consisting of 5 members, headed by the chief compliance officer of the Bank.

(b) APPOINTMENTS.—A majority of the Board shall have the authority to appoint and reappoint the CCO of the Bank.

(c) FUNCTIONS; DUTIES.—The CCO shall have such functions, powers, and duties as may be prescribed by one or more of the following: this part, the bylaws of the Bank, and the Board. The CCO shall report directly to the Board.

(d) AUDIT DUTIES.—In order to carry out the purposes of the Bank under this part, the audit committee shall—
(1) provide internal controls and internal auditing activities for the Bank;
(2) maintain responsibility for the accounting activities of the Bank;
(3) issue financial reports of the Bank; and
(4) complete reports with outside auditors and public accountants appointed by the Board.

(e) OTHER AUDIT OFFICERS.—The Board shall appoint, remove, fix the compensation, and define the duties of 4 other audit officers to serve on the audit committee.

(f) QUALIFICATIONS.—The CCO and other audit officers shall have demonstrated experience and expertise in one or more of the following:
(1) Internal auditing.
(2) Internal investigations.
(3) Accounting practices.
(4) Financing practices.

(g) VACANCY.—A vacancy in the position of CCO or any other audit officer shall be filled in the manner in which the original appointment was made.

(h) COMPENSATION.—The compensation of the CCO and other audit officers shall be determined by the Board.

(i) REMOVAL.—The CCO and other audit officers may be removed at the discretion of a majority of the Board.

(j) TERM.—The CCO and other audit officers shall serve a 6-year term and may be reappointed in accordance with this section.

(k) LIMITATIONS.—The CCO and other audit officers shall not—
(1) hold any other public office;
(2) have any interest in an infrastructure project considered by the Board;
(3) have any interest in an investment institution, commercial bank, or other entity seeking financial assistance for any infrastructure project from the Bank; and
(4) have any such interest during the 2-year period beginning on the date such officer ceases to serve in such capacity.

SEC. 16027. PERSONNEL.

The chairperson of the Board, executive director, chief risk officer, and chief compliance officer shall appoint, remove, fix the compensation of, and define the duties of such qualified personnel to serve under the Board, executive committee, risk management committee, or audit committee, as the case may be, as necessary and prescribed by one or more of the following: this part, the bylaws of the Bank, and the Board.

SEC. 16028. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM BANK.

(a) IN GENERAL.—No financial assistance shall be available under this part from the Bank unless the applicant for such assistance has demonstrated to the satisfaction of the Board that the project for which such assistance is being sought meets—
(1) the requirements of this part; and
(2) any criteria established in accordance with this part by the Board.

(b) ESTABLISHMENT OF PROJECT CRITERIA.—
(1) IN GENERAL.—Consistent with the requirements of subsections (c) and (d), the Board shall establish—
(A) criteria for determining eligibility for financial assistance under this part;
(B) disclosure and application procedures to be followed by entities to nominate projects for assistance under this part; and
(C) such other criteria as the Board may consider to be appropriate for purposes of carrying out this part.
(2) FACTORS TO BE TAKEN INTO ACCOUNT.—
(A) IN GENERAL.—The Bank shall conduct an analysis that takes into account the economic, environmental, social benefits, and costs of each project under consideration for financial assistance under this part, prioritizing projects that contribute to economic growth, lead to job creation, and are of regional or national significance.
(B) CRITERIA.—The criteria established pursuant to paragraph (1)(A) shall provide for the consideration of the following factors in considering eligibility for financial assistance under this part:
(i) The means by which development of the infrastructure project under consideration is being financed, including—
(I) the terms and conditions and financial structure of the proposed financing; and
(II) the financial assumptions and projections on which the project is based.
(ii) The likelihood that the provision of assistance by the Bank will cause such development to proceed more promptly and with lower costs for financing than would be the case without such assistance.
(iii) The extent to which the provision of assistance by the Bank maximizes the level of private investment in the infrastructure project while providing a public benefit.

(c) FACTORS FOR SPECIFIC TYPES OF PROJECTS.—

(1) TRANSPORTATION INFRASTRUCTURE PROJECTS.—For any transportation infrastructure project, the Board shall consider the following:

(A) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(B) Reduction in carbon emissions.

(C) Reduction in surface and air traffic congestion.

(D) Smart growth.

(E) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(F) Public health benefits.

(2) ENVIRONMENTAL INFRASTRUCTURE PROJECT.—For any environmental infrastructure project, the Board shall consider the following:

(A) Public health benefits.

(B) Pollution reductions.

(C) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(D) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(3) ENERGY INFRASTRUCTURE PROJECT.—For any energy infrastructure project, the Board shall consider the following:

(A) Job creation, including workforce development for women and minorities, responsible employment practices, and quality job training opportunities.

(B) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(C) Reduction in carbon emissions.

(D) Smart growth in urban areas.

(E) Expanded use of renewable energy, including hydroelectric, solar, and wind.

(F) Development of a smart grid.

(G) Energy efficient building, housing, and school modernization.

(H) In any case in which the project is also a public housing project—

(i) improvement of the physical shape and layout;

(ii) environmental improvement; and

(iii) mobility improvements for residents.

(I) Public health benefits.

(4) TELECOMMUNICATIONS.—For any telecommunications project, the Board shall consider the following:

(A) The extent to which assistance expands or improves broadband and wireless services in rural and disadvantaged communities.

(B) Poverty and inequality reduction through targeted training and employment opportunities for low-income workers.

(C) Job creation, including work force development for women and minorities, responsible employment practices, and quality job training opportunities.

(d) CONSIDERATION OF PROJECT PROPOSALS.—

(1) PARTICIPATION BY OTHER AGENCY PERSONNEL.—Consideration of projects by the executive committee and the Board shall be conducted with personnel on detail to the Bank from relevant Federal agencies from among individuals who are familiar with and experienced in the selection criteria for competitive projects.

(2) FEES.—A fee may be charged for the review of any project proposal in such amount as maybe considered appropriate by the executive committee to cover the cost of such review.

(e) DISCRETION OF BOARD.—Consistent with other provisions of this part, any determination of the Board to provide assistance to any project, and the manner in which such assistance is provided, including the terms, conditions, fees, and charges shall be at the sole discretion of the Board.

(f) STATE AND LOCAL PERMITS REQUIRED.—The provision of assistance by the Board in accordance with this part shall not be deemed to relieve any recipient of assistance or the related project of any obligation to obtain required State and local permits and approvals.

(g) ANNUAL REPORT.—An entity receiving assistance from the Board shall make annual reports to the Board on the use of any such assistance, compliance with the criteria set forth in this section, and a disclosure of all entities with a development, ownership, or operational interest in a project assisted or proposed to be assisted under this part.

SEC. 16029. EXEMPTION FROM LOCAL TAXATION.

All notes, debentures, bonds or other such obligations issued by the Bank, and the interest on or credits with respect to such bonds or other obligations, shall not be subject to taxation by any State, county, municipality, or local taxing authority.

SEC. 16030. STATUS AND APPLICABILITY OF CERTAIN FEDERAL LAWS; FULL FAITH AND CREDIT.

(a) BUDGETING AND AUDITORS PRACTICES.—The Bank shall comply with all Federal laws regulating the budgetary and auditing practices of a government corporation, except as otherwise provided in this part.

(b) FULL FAITH AND CREDIT.—Any bond or other obligation issued by the Bank under this part shall be an obligation supported by the full faith and credit of the United States.

(c) EFFECT OF AND EXEMPTIONS FROM OTHER LAWS.—

(1) EXEMPT SECURITIES.—All debt securities and other obligations issued by the Bank pursuant to this part shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission to the same extent as securities which are direct obligations of, or obligations fully guaranteed as to principal or interest by, the United States.

(2) OPEN MARKET OPERATIONS AND STATE TAX EXEMPT STATUS.—The obligations of the Bank shall be deemed to be obligations of the United States for the purposes of the provision designated as (b)(2) of the 2nd undesignated paragraph of section 14 of the Federal Reserve Act (12 U.S.C. 355) and section 3124 of title 31, United States Code.

(3) NO PRIORITY AS A FEDERAL CLAIM.—The priority established in favor of the United States by section 3713 of title 31, United States Code, shall not apply with respect to any indebtedness of the Bank.

(d) FEDERAL RESERVE BANKS AS DEPOSITORIES, CUSTODIANS, AND FISCAL AGENTS.—The Federal reserve banks may act as depositories for, or custodians or fiscal agents of, the Bank.

(e) ACCESS TO BOOK-ENTRY SYSTEM.—The Secretary may authorize the Bank to use the book-entry system of the Federal reserve system.

SEC. 16031. COMPLIANCE WITH DAVIS-BACON ACT AND CERTAIN GRANT REQUIREMENTS.

(a) DAVIS-BACON ACT.—All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Bank pursuant to this part shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of part A of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

(b) GRANT REQUIREMENTS.—A recipient of financial assistance provided pursuant to this subtitle that funds any public transportation capital project (as defined in section 5302 of title 49, United States Code) shall comply with the grant requirements applicable to grants made under section 5309 of that title.

SEC. 16032. USE OF IRON, STEEL, AND MANUFACTURED GOODS IN INFRASTRUCTURE PROJECTS.

(a) BUY AMERICA.—Except as provided in subsection (b), none of the financing provided by the Bank may be used for a public infrastructure project unless all of the iron, steel, and manufactured goods used for the construction, alteration, maintenance, or repair of the project are produced in the United States.

(b) EXCEPTION.—Subsection (a) shall not apply in any case or category of cases in which the Secretary determines that—

(1) applying subsection (a) would be inconsistent with the public interest;

(2) iron, steel, or a relevant manufactured good is not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(3) the inclusion of iron, steel, or a manufactured good produced in the United States will increase the cost of the overall infrastructure project by more than 25 percent.

(c) PUBLICATION OF WAIVERS.—If the Secretary provides a waiver of the requirements of subsection (a) based on a determination under subsection (b), the Secretary shall publish in the Federal Register a detailed written justification of the reasons for the waiver.

(d) APPLICABILITY.—This section shall be applied in a manner consistent with the obligations of the United States under international agreements.

(e) CONSULTATION.—The Secretary shall consult with the Board and may consult with the Secretary of Transportation and the head of any other Federal department or agency in applying this section.

SEC. 16033. COMPLIANCE WITH CERTAIN DOMESTIC CONTENT LAWS.

The financing provided for an infrastructure project shall be provided in accordance with the following provisions of law subject to the jurisdiction of the Secretary of Transportation:

(1) Section 313 of title 23, United States Code.

(2) Section 5323(j) of title 49, United States Code.

(3) Section 24305 of title 49, United States Code.

(4) Section 24405 of title 49, United States Code.

(5) Sections 50101 and 50105 of title 49, United States Code.

SEC. 16034. APPLICABILITY OF CERTAIN STATE LAWS.

The receipt by any entity of any assistance under this part, directly or indirectly, and any financial assistance provided by any governmental entity in connection with such assistance under this part shall be valid and lawful notwithstanding any State or local restrictions regarding extensions of credit or other benefits to private persons or entities, or other similar restrictions.

SEC. 16035. AUDITS; REPORTS TO PRESIDENT AND CONGRESS.

(a) ACCOUNTING.—The books of account of the Bank shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by independent public accountants appointed by the Board and of nationally recognized standing.

(b) REPORTS.—

(1) BOARD.—The Board shall submit to the President and Congress, within 90 days after

the last day of each fiscal year, a complete and detailed report with respect to the preceding fiscal year, setting forth—

(A) a summary of the Bank's operations, for such preceding fiscal year;

(B) a schedule of the Bank's obligations and capital securities outstanding at the end of such preceding fiscal year, with a statement of the amounts issued and redeemed or paid during such preceding fiscal year; and

(C) the status of projects receiving funding or other assistance pursuant to this part, including disclosure of all entities with a development, ownership, or operational interest in such projects.

(2) GAO.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report evaluating activities of the Bank for the fiscal years covered by the report that includes an assessment of the impact and benefits of each funded project, including a review of how effectively each project accomplished the goals prioritized by the Bank's project criteria.

(c) BOOKS AND RECORDS.—

(1) IN GENERAL.—The Bank shall maintain adequate books and records to support the financial transactions of the Bank with a description of financial transactions and infrastructure projects receiving funding, and the amount of funding for each project maintained on a publically accessible database.

(2) AUDITS BY THE SECRETARY AND GAO.—The books and records of the Bank shall be maintained in accordance with recommended accounting practices and shall be open to inspection by the Secretary and the Comptroller General of the United States.

SEC. 16036. CAPITALIZATION OF BANK.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subject to subsection (b), there is authorized to be appropriated to the Secretary for purchase of the shares of the Bank $5,000,000,000 for each of fiscal years 2018 through 2022, with the aggregate representing 10 percent of the total subscribed capital of the Bank.

(b) RESERVATION FOR RURAL AREAS.—For each fiscal year, not less than 20 percent of any amounts appropriated to carry out this part shall be used to finance projects in rural areas.

(c) CALLABLE CAPITAL.—Of the total subscribed capital of the Bank, 90 percent shall be callable capital subject to call from the Secretary only as and when required by the Bank to meet its obligations on borrowing of funds for inclusion in its ordinary capital resources or guarantees chargeable to such resources.

SA 1801. Ms. WARREN submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON AGREEMENTS RESTRICTING GOVERNMENT TAX PREPARATION AND FILING SERVICES.

The Secretary of the Treasury, or the Secretary's delegate, may not enter into any agreement after the date of the enactment of this Act which restricts the Secretary's legal right to provide tax return preparation services or software or to provide tax return filing services.

SEC. ___. GOVERNMENT-ASSISTED TAX PREPARATION AND FILING SERVICES.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 7529. GOVERNMENT-ASSISTED TAX-RETURN PREPARATION PROGRAMS.

''(a) ESTABLISHMENT OF PROGRAMS.—The Secretary shall establish and operate the following programs:

''(1) ONLINE TAX PREPARATION AND FILING SOFTWARE.—Not later than January 31, 2019, software for the preparation and filing of individual income tax returns for taxable years beginning after 2017.

''(2) TAXPAYER DATA ACCESS.—Not later than March 1, 2019, a program under which taxpayers may download third-party provided return information relating to individual income tax returns for taxable years beginning after 2017.

''(3) TAX RETURN PREPARATION.—Not later than March 1, 2019, a program under which eligible individuals (as defined under subsection (c)(1)) may elect to have income tax returns for taxable years beginning after 2017 prepared by the Secretary.

''(b) REQUIREMENTS FOR TAXPAYER DATA ACCESS PROGRAM.—

''(1) IN GENERAL.—Return information under the program established under subsection (a)(2) shall be made available—

''(A) not later than 15 days after the Secretary receives such information, and

''(B) through a secure function that allows a taxpayer to download such information from the Secretary's website in both a printable document file and in a computer-readable form suitable for use by automated tax preparation software.

''(2) THIRD-PARTY PROVIDED RETURN INFORMATION DEFINED.—For purposes of this section, the term 'third-party provided return information' means—

''(A) information reported to the Secretary through an information return (as defined in section 6724(d)(1)),

''(B) information reported to the Secretary pursuant to section 232 of the Social Security Act, and

''(C) such other information reported to the Secretary as is determined appropriate by the Secretary for purposes of the program established under subsection (a)(2).

''(c) TAX RETURN PREPARATION.—

''(1) ELIGIBLE INDIVIDUAL.—For purposes of the program established under subsection (a)(3)—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the term 'eligible individual' means, with respect to any taxable year, any individual who—

''(i) elects to participate in the program established under subsection (a)(3),

''(ii) is an unmarried individual (other than a surviving spouse (as defined in section 2(a)) or the head of a household (as defined in section 2(b))),

''(iii) does not claim any deduction allowed under section 62 for purposes of determining adjusted gross income,

''(iv) claims the standard deduction under section 63,

''(v) claims no deduction under section 151 for any individual who is a dependent (as defined in section 152),

''(vi) does not file schedule C, and

''(vii) has no income other than income from—

''(I) wages (as defined in section 3401),

''(II) interest, or

''(III) dividends.

''(B) LIMITATION ON ELIGIBILITY FOR TAX YEAR 2018.—With respect to any taxable year beginning in 2018, the term 'eligible individual' shall only include such populations of individuals described in subparagraph (A) as is determined by the Secretary.

''(C) EXPANSION OF ELIGIBILITY AFTER TAX YEAR 2018.—

''(i) IN GENERAL.—At the discretion of the Secretary, with respect to any taxable year beginning after December 31, 2018, the term 'eligible individual' may include populations of individuals who would not otherwise satisfy the requirements established under subparagraph (A), such as married individuals, heads of households, taxpayers who are eligible to claim the earned income tax credit under section 32 and have dependents, taxpayers who are eligible to claim the child tax credit under section 24, taxpayers who claim deductions allowed under section 62 for purposes of determining adjusted gross income, and taxpayers with income from non-employee compensation.

''(ii) REPORT.—Not later than August 31, 2020, the Secretary shall submit a report to Congress that contains recommendations for such legislative or administrative actions as the Secretary determines necessary with respect to expanding the populations of individuals that may qualify as eligible individuals for purposes of the program established under subsection (a)(3).

''(2) RETURN MUST BE FILED BY INDIVIDUAL.—No return prepared under the program established under subsection (a)(3) shall be treated as filed before the date such return is submitted by the taxpayer as provided under the rules of section 6011.

''(d) VERIFICATION OF IDENTITY.—An individual shall not participate in any program described in subsection (a) or access any information under such a program unless such individual has verified their identity to the satisfaction of the Secretary.

''(e) TAXPAYER RESPONSIBILITY.—Nothing in this section shall be construed to absolve the taxpayer from full responsibility for the accuracy or completeness of his return of tax.

''(f) PROHIBITION ON FEES.—No fee may be imposed on any taxpayer who participates in any program established under subsection (a).

''(g) INFORMATION PROVIDED FOR WAGE AND SELF-EMPLOYMENT INCOME.—For purposes of subsection (a)(2), in the case of information relating to wages paid for any calendar year after 2017 required to be provided to the Commissioner of Social Security under section 205(c)(2)(A) of the Social Security Act (42 U.S.C. 405(c)(2)(A)), the Commissioner shall make such information available to the Secretary not later than the February 15 of the calendar year following the calendar year to which such wages and self-employment income relate.''.

(b) FILING DEADLINE FOR INFORMATION RETURNS.—Section 6071(b) of such Code is amended to read as follows:

''(b) INFORMATION RETURNS.—Returns made under part III of this chapter shall be filed on or before January 31 of the year following the calendar year to which such returns relate. Section 6081 shall not apply to returns under such part III.''.

(c) CONFORMING AMENDMENT TO SOCIAL SECURITY ACT.—Section 205(c)(2)(A) of the Social Security Act (42 U.S.C. 405(c)(2)(A)) is amended by adding at the end the following new sentence: ''For purposes of the preceding sentence, the Commissioner shall require that information relating to wages paid be provided to the Secretary of the Treasury not later than February 15 of the year following the calendar year to which such wages and self-employment income relate.''.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

''Sec. 7529. Government-assisted tax-return preparation programs.''.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the amendments made by this section such sums as may be necessary for each of fiscal years 2018 through 2022.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2017.

SA 1802. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. CERTAIN CAREER TRAINING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES.

(a) IN GENERAL.—Paragraph (3) of section 529(e) is amended by adding at the end the following new subparagraph:

''(C) CERTAIN CAREER TRAINING EXPENSES.—

''(i) IN GENERAL.—In the case of an individual who is enrolled in or attending a program to obtain a recognized postsecondary credential or occupational license, the term 'qualified higher education expenses' includes expenses similar to the expenses described in subparagraph (A) which are required for such program.

''(ii) PROGRAM TO OBTAIN A RECOGNIZED POSTSECONDARY CREDENTIAL.—For purposes of this subparagraph—

''(I) the term 'recognized postsecondary credential' has the meaning given the term in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), and

''(II) when used with respect to obtaining such a credential, the term 'program' means only a program which is included, and is offered by a provider which is included, on the list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenses paid or incurred in taxable years beginning after the date of the enactment of this Act.

(c) OFFSET.—

(1) INCLUSION OF FOREIGN BASE COMPANY OIL RELATED INCOME.—Subsection (a) of section 954, as amended by section 14211, is amended—

(A) by striking ''and'' at the end of paragraph (2),

(B) by striking the period at the end of paragraph (3) and inserting '', and'', and

(C) by adding at the end the following new paragraph:

''(4) the foreign base company oil related income for the taxable year (determined under subsection (g) and reduced as provided in subsection (b)(5)).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 952(c)(1)(B)(iii), as amended by section 14211, is amended—

(i) by redesignating subclauses (I) through (IV) as subclauses (II) through (V), respectively, and

(ii) by inserting before subclause (II), as so redesignated, the following new subclause:

''(I) foreign base company oil related income,''.

(B) Section 954(b), as amended by section 14211, is amended—

(i) by adding at the end of paragraph (4) the following: ''The preceding sentence shall not apply to foreign base company oil-related income described in subsection (a)(4).'',

(ii) by striking ''and the foreign base company services income'' in paragraph (5) and inserting ''the foreign base company services income, and the foreign base company oil related income'', and

(iii) by adding at the end the following new paragraph:

''(6) FOREIGN BASE COMPANY OIL RELATED INCOME NOT TREATED AS ANOTHER KIND OF BASE COMPANY INCOME.—Income of a corporation which is foreign base company oil related income shall not be considered foreign base company income of such corporation under paragraph (2) or (3) of subsection (a).''.

(C) Section 954, as amended by section 14211, is amended by inserting before subsection (h) the following:

''(g) FOREIGN BASE COMPANY OIL RELATED INCOME.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign base company oil related income' means foreign oil related income (within the meaning of paragraphs (2) and (3) of section 907(c)) other than income derived from a source within a foreign country in connection with—

''(A) oil or gas which was extracted from an oil or gas well located in such foreign country, or

''(B) oil, gas, or a primary product of oil or gas which is sold by the foreign corporation or a related person for use or consumption within such country or is loaded in such country on a vessel or aircraft as fuel for such vessel or aircraft.

Such term shall not include any foreign personal holding company income (as defined in subsection (c)).

''(2) PARAGRAPH (1) APPLIES ONLY WHERE CORPORATION HAS PRODUCED 1,000 BARRELS PER DAY OR MORE.—

''(A) IN GENERAL.—The term 'foreign base company oil related income' shall not include any income of a foreign corporation if such corporation is not a large oil producer for the taxable year.

''(B) LARGE OIL PRODUCER.—For purposes of subparagraph (A), the term 'large oil producer' means any corporation if, for the taxable year or for the preceding taxable year, the average daily production of foreign crude oil and natural gas of the related group which includes such corporation equaled or exceeded 1,000 barrels.

''(C) RELATED GROUP.—The term 'related group' means a group consisting of the foreign corporation and any other person who is a related person with respect to such corporation.

''(D) AVERAGE DAILY PRODUCTION OF FOREIGN CRUDE OIL AND NATURAL GAS.—For purposes of this paragraph, the average daily production of foreign crude oil or natural gas of any related group for any taxable year (and the conversion of cubic feet of natural gas into barrels) shall be determined under rules similar to the rules of section 613A except that only crude oil or natural gas from a well located outside the United States shall be taken into account.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SA 1803. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. DECREASE IN REQUIRED DISTANCE AWAY FROM HOME FOR ABOVE-THE-LINE DEDUCTION FOR TRAVEL EXPENSES OF MEMBERS OF A RESERVE COMPONENT OF THE ARMED FORCES.

(a) IN GENERAL.—Section 62(a)(2)(E) is amended by striking ''100 miles'' and inserting ''50 miles''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2016.

(c) OFFSET.—

(1) INCLUSION OF FOREIGN BASE COMPANY OIL RELATED INCOME.—Subsection (a) of section 954, as amended by section 14211, is amended—

(A) by striking ''and'' at the end of paragraph (2),

(B) by striking the period at the end of paragraph (3) and inserting '', and'', and

(C) by adding at the end the following new paragraph:

''(4) the foreign base company oil related income for the taxable year (determined under subsection (g) and reduced as provided in subsection (b)(5)).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 952(c)(1)(B)(iii), as amended by section 14211, is amended—

(i) by redesignating subclauses (I) through (IV) as subclauses (II) through (V), respectively, and

(ii) by inserting before subclause (II), as so redesignated, the following new subclause:

''(I) foreign base company oil related income,''.

(B) Section 954(b), as amended by section 14211, is amended—

(i) by adding at the end of paragraph (4) the following: ''The preceding sentence shall not apply to foreign base company oil-related income described in subsection (a)(4).'',

(ii) by striking ''and the foreign base company services income'' in paragraph (5) and inserting ''the foreign base company services income, and the foreign base company oil related income'', and

(iii) by adding at the end the following new paragraph:

''(6) FOREIGN BASE COMPANY OIL RELATED INCOME NOT TREATED AS ANOTHER KIND OF BASE COMPANY INCOME.—Income of a corporation which is foreign base company oil related income shall not be considered foreign base company income of such corporation under paragraph (2) or (3) of subsection (a).''.

(C) Section 954, as amended by section 14211, is amended by inserting before subsection (h) the following:

''(g) FOREIGN BASE COMPANY OIL RELATED INCOME.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign base company oil related income' means foreign oil related income (within the meaning of paragraphs (2) and (3) of section 907(c)) other than income derived from a source within a foreign country in connection with—

''(A) oil or gas which was extracted from an oil or gas well located in such foreign country, or

''(B) oil, gas, or a primary product of oil or gas which is sold by the foreign corporation or a related person for use or consumption within such country or is loaded in such country on a vessel or aircraft as fuel for such vessel or aircraft.

Such term shall not include any foreign personal holding company income (as defined in subsection (c)).

''(2) PARAGRAPH (1) APPLIES ONLY WHERE CORPORATION HAS PRODUCED 1,000 BARRELS PER DAY OR MORE.—

''(A) IN GENERAL.—The term 'foreign base company oil related income' shall not include any income of a foreign corporation if

such corporation is not a large oil producer for the taxable year.

''(B) LARGE OIL PRODUCER.—For purposes of subparagraph (A), the term 'large oil producer' means any corporation if, for the taxable year or for the preceding taxable year, the average daily production of foreign crude oil and natural gas of the related group which includes such corporation equaled or exceeded 1,000 barrels.

''(C) RELATED GROUP.—The term 'related group' means a group consisting of the foreign corporation and any other person who is a related person with respect to such corporation.

''(D) AVERAGE DAILY PRODUCTION OF FOREIGN CRUDE OIL AND NATURAL GAS.—For purposes of this paragraph, the average daily production of foreign crude oil or natural gas of any related group for any taxable year (and the conversion of cubic feet of natural gas into barrels) shall be determined under rules similar to the rules of section 613A except that only crude oil or natural gas from a well located outside the United States shall be taken into account.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SA 1804. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the end of part III of subtitle A of title I, insert the following:

SEC. 11030. CREDIT FOR ELDERCARE EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25D the following new section:

''SEC. 25E. EXPENSES FOR ELDERCARE.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an individual for which there are 1 or more qualifying individuals with respect to such individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of the eldercare expenses paid by such individual during the taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 20 percent, reduced (but not below zero) by 1 percentage point for each $4,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds—

''(A) $110,000 in the case of a joint return,

''(B) $75,000 in the case of an individual who is not married, and

''(C) $55,000 in the case of a married individual filing a separate return.

For purposes of this paragraph, marital status shall be determined under section 7703.

''(b) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING INDIVIDUAL.—The term 'qualifying individual' means an individual—

''(A) who has attained age 65,

''(B) who requires assistance with activities of daily living, and

''(C) who is, with respect to the taxpayer or the taxpayer's spouse—

''(i) the father or mother or an ancestor of such father or mother,

''(ii) the father-in-law or mother-in-law or an ancestor of such father-in-law or mother-in-law,

''(iii) the stepfather or stepmother or an ancestor of such stepfather or stepmother, or

''(iv) any other person who, for the taxable year, has the same principal place of abode as the taxpayer and is a member of the household of the taxpayer.

''(2) ELDERCARE EXPENSES.—

''(A) IN GENERAL.—The term 'eldercare expenses' means the following amounts paid for expenses relating to the care of a qualifying individual:

''(i) Medical care (as defined in section 213(d)(1), without regard to subparagraph D thereof).

''(ii) Lodging away from home in accordance with section 213(d)(2).

''(iii) Adult day care.

''(iv) Custodial care.

''(v) Respite care.

''(vi) Assistive technologies and devices (including remote health monitoring).

''(vii) Environmental modifications (including home modifications).

''(viii) Counseling or training for a caregiver.

''(B) DEFINITIONS.—For purposes of subparagraph (A)—

''(i) ADULT DAY CARE.—The term 'adult day care' means care provided for adults with functional or cognitive impairments through a structured, community-based group program which provides health, social, and other related support services on a less than 24-hour basis.

''(ii) CUSTODIAL CARE.—The term 'custodial care' means reasonable personal care services provided to assist with daily living which do not require the skills of qualified technical or professional personnel.

''(iii) RESPITE CARE.—The term 'respite care' means planned or emergency care intended to provide temporary relief to a caregiver.

''(C) CARE CENTERS.—

''(i) IN GENERAL.—Eldercare expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a care center shall be taken into account only if such center complies with all applicable laws and regulations of a State or unit of local government.

''(ii) CARE CENTER.—For purposes of this subparagraph, the term 'care center' means any facility which—

''(I) provides care for more than 6 individuals, and

''(II) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).

''(c) DOLLAR LIMITATION.—

''(1) IN GENERAL.—The amount of the eldercare expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed $6,000.

''(2) COORDINATION WITH DEPENDENT CARE ASSISTANCE EXCLUSION.—The dollar amount in paragraph (1) shall be reduced by the aggregate amount excluded from gross income under section 129 for the taxable year, if any.

''(d) SPECIAL RULES.—For purposes of this section—

''(1) PAYMENTS TO RELATED INDIVIDUALS.—No credit shall be allowed under subsection (a) for any amount paid to an individual with respect to whom, for the taxable year, a deduction under section 151(c) is allowable either to the taxpayer or the taxpayer's spouse. For purposes of this paragraph, the term 'taxable year' means the taxable year of the taxpayer in which the service is performed.

''(2) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO SERVICE PROVIDER.—No credit shall be allowed under subsection (a) for any amount paid to any person unless—

''(A) the name, address, and taxpayer identification number of such person are included on the return claiming the credit, or

''(B) if such person is an organization described in section 501(c)(3) and exempt from tax under section 501(a), the name and address of such person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence shall not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information so required.

''(3) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under subsection (a) with respect to any qualifying individual unless the taxpayer identification number of such individual is included on the return claiming the credit.

''(e) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any amount with respect to which a credit is allowed under section 21.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Expenses for eldercare.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 213(e) is amended—

(A) by inserting ''or section 25E'' after ''section 21'', and

(B) by inserting ''AND ELDERS'' after ''CERTAIN DEPENDENTS'' in the heading.

(2) Section 6213(g)(2) is amended—

(A) by inserting '', section 25E (relating to expenses for care of elders),'' after ''(relating to expenses for household and dependent care services necessary for gainful employment)'' in subparagraph (H), and

(B) by inserting '', 25E'' after ''24'' in subparagraph (L).

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to taxable years beginning after the date of the enactment of this Act.

(e) OFFSET.—

(f) FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.—

(1) IN GENERAL.—Subchapter A of chapter 1, as amended by section 14401, is amended by adding at the end the following new part:

''PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS

''Sec. 59AA. Fair share tax.

''SEC. 59AA. FAIR SHARE TAX.

''(a) GENERAL RULE.—

''(1) PHASE-IN OF TAX.—In the case of any high-income taxpayer, there is hereby imposed for a taxable year (in addition to any other tax imposed by this subtitle) a tax equal to the product of—

''(A) the amount determined under paragraph (2), and

''(B) a fraction (not to exceed 1)—

''(i) the numerator of which is the excess of—

''(I) the taxpayer's adjusted gross income, over

''(II) the dollar amount in effect under subsection (c)(1), and

''(ii) the denominator of which is the dollar amount in effect under subsection (c)(1).

''(2) AMOUNT OF TAX.—The amount of tax determined under this paragraph is an amount equal to the excess (if any) of—

''(A) the tentative fair share tax for the taxable year, over

''(B) the excess of—

''(i) the sum of—

''(I) the regular tax liability (as defined in section 26(b)) for the taxable year, determined without regard to any tax liability determined under this section,

''(II) the tax imposed by section 55 for the taxable year, plus

''(III) the payroll tax for the taxable year, over

''(ii) the credits allowable under part IV of subchapter A (other than sections 27(a), 31, and 34).

''(b) TENTATIVE FAIR SHARE TAX.—For purposes of this section—

''(1) IN GENERAL.—The tentative fair share tax for the taxable year is 30 percent of the excess of—

''(A) the adjusted gross income of the taxpayer, over

''(B) the modified charitable contribution deduction for the taxable year.

''(2) MODIFIED CHARITABLE CONTRIBUTION DEDUCTION.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The modified charitable contribution deduction for any taxable year is an amount equal to the amount which bears the same ratio to the deduction allowable under section 170 (section 642(c) in the case of a trust or estate) for such taxable year as—

''(i) the amount of itemized deductions allowable under the regular tax (as defined in section 55) for such taxable year, determined after the application of section 68, bears to

''(ii) such amount, determined before the application of section 68.

''(B) TAXPAYER MUST ITEMIZE.—In the case of any individual who does not elect to itemize deductions for the taxable year, the modified charitable contribution deduction shall be zero.

''(c) HIGH-INCOME TAXPAYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'high-income taxpayer' means, with respect to any taxable year, any taxpayer (other than a corporation) with an adjusted gross income for such taxable year in excess of $1,000,000 (50 percent of such amount in the case of a married individual who files a separate return).

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of a taxable year beginning after 2018, the $1,000,000 amount under paragraph (1) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $10,000, such amount shall be rounded to the next lowest multiple of $10,000.

''(d) PAYROLL TAX.—For purposes of this section, the payroll tax for any taxable year is an amount equal to the excess of—

''(1) the taxes imposed on the taxpayer under sections 1401, 1411, 3101, 3201, and 3211(a) (to the extent such tax is attributable to the rate of tax in effect under section 3101) with respect to such taxable year or wages or compensation received during such taxable year, over

''(2) the deduction allowable under section 164(f) for such taxable year.

''(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—For purposes of this section, in the case of an estate or trust, adjusted gross income shall be computed in the manner described in section 67(e).

''(f) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter (other than the credit allowed under section 27(a)) or for purposes of section 55.''.

(2) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2017.

SA 1805. Ms. HARRIS submitted an amendment intended to be proposed by her to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. POINT OF ORDER AGAINST LEGISLATION THAT PROVIDES FUNDING TO THE PRESIDENTIAL ADVISORY COMMISSION ON ELECTION INTEGRITY.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that provides funding to the Presidential Advisory Commission on Election Integrity.

(b) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a).

SA 1806. Ms. HARRIS submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place in title I, add the following:

SEC. ___. POINT OF ORDER AGAINST ELIMINATING THE REQUIREMENT FOR CBO SCORES BEFORE VOTES.

(a) REVIVAL OF POINT OF ORDER.—

(1) IN GENERAL.—Section 4111 of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018, is amended—

(A) by striking ''Sections 3205 and 3206'' and inserting ''Section 3206''; and

(B) by striking ''are repealed'' and inserting ''is repealed''.

(2) APPLICABILITY.—In the Senate, section 3205 of S. Con. Res. 11 (114th Congress), the concurrent resolution on the budget for fiscal year 2016, shall be applied and administered as if the repeal of such section 3205 under section 4111 of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018, had never been enacted.

(b) DEFINITION.—In this section, the term ''score before voting requirement'' means the requirement under section 3205 of S. Con. Res 11 (114th), the concurrent resolution on the budget for fiscal year 2016, or any successor thereto, prohibiting voting on passage of a matter that requires an estimate under section 402 of the Congressional Budget Act of 1974 (2 U.S.C. 653), unless such estimate was made publicly available on the website of the Congressional Budget Office not later than 28 hours before the time the vote commences.

(c) POINT OF ORDER AGAINST ELIMINATING OF POINT OF ORDER.—When the Senate is considering a bill, resolution, motion, amendment, amendment between the Houses, or conference report, if a point of order is made by a Senator against a provision that would repeal or otherwise eliminate the score before voting requirement, and the point of order is sustained by the Chair, that provision shall be stricken from the measure and may not be offered as an amendment from the floor.

(d) FORM OF THE POINT OF ORDER.—A point of order under subsection (c) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974 (2 U.S.C. 644(e)).

(e) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill or joint resolution, upon a point of order being made by any Senator pursuant to subsection (c), and such point of order being sustained, such material contained in such conference report or House amendment shall be stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

(f) SUPERMAJORITY WAIVER AND APPEAL.—In the Senate, this section may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chose and sworn. An affirmative vote of three-fifths of Members of the Senate, duly chosen and sworn shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SA 1807. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page ____, line _____, strike ''(h) REGULATIONS.—'' and insert:

''(h) SPECIAL RULES TO PREVENT THE DOUBLE TAXATION OF BASE EROSION PAYMENTS.—

''(1) COORDINATION WITH TAX ON CERTAIN INSURANCE POLICIES.—

''(A) IN GENERAL.—If applicable taxes are imposed on 1 or more base erosion payments made by the taxpayer for any taxable year, the base erosion minimum tax amount for such taxable year shall be reduced by the applicable percentage of the aggregate amount of such taxes imposed on such payments.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the term 'applicable percentage' means, with respect to any taxable year, the percentage determined by dividing—

''(i) the base erosion payments for such taxable year on which applicable taxes were imposed, by

''(ii) the aggregate amount of base erosion payments of the taxpayer for the taxable year.

''(C) APPLICABLE TAXES.—For purposes of this paragraph, the term 'applicable tax' means any tax imposed by—

''(i) section 4371(2), or

''(ii) section 4173(3), but only to the extent applicable to reinsurance covering contracts taxable under section 4371(2).

''(2) REDUCTION FOR AMOUNTS PAID TO THE TAXPAYER.—The amount of any base erosion payment described in subsection (d)(1) paid or accrued during the taxable year by the taxpayer to a foreign person which is a related party to the taxpayer shall be reduced by any amount which was—

''(A) paid or accrued during such taxable year by such foreign person to the taxpayer, and

''(B) related to such base erosion payment.

''(3) PAYMENTS SUBJECT TO UNITED STATES TAX.—No amount paid or accrued during the taxable year by the taxpayer to a foreign person which is a related party to the taxpayer shall be treated as a base erosion payment under subsection (d) to the extent—

''(A) such amount is taken into account by such foreign person in determining the tax of such foreign person under this subtitle, and

''(B) such foreign person has certified it is exempt from withholding tax under section 1441 or 1442 or such person has elected to be taxed under this subtitle as a United States person.

''(i) REGULATIONS.—

SA 1808. Mr. SCOTT (for himself, Mr. CRUZ, Mr. INHOFE, Mr. CASSIDY, and Mr. BLUNT) submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

Beginning on page 175, strike line 11 and all that follows through page 177, line 15 and insert the following:

(A) except as provided in subparagraph (B) or (C), include such advance payment in gross income for such taxable year,

(B) if the taxpayer elects the application of this subparagraph with respect to the category of advance payments for goods to which such advance payment belongs, the taxpayer shall include such advance payment in the taxable year in which the payment is included in gross income for purposes of the taxpayer's applicable financial statements, or

(C) if the taxpayer elects the application of this subparagraph with respect to the category of advance payments for goods described in paragraph (2)(C), or for services, to which such advance payment belongs, the taxpayer shall—

(i) to the extent that any portion of such advance payment is required under subsection (b) to be included in gross income in the taxable year in which such payment is received, so include such portion, and

(ii) include the remaining portion of such advance payment in gross income in the taxable year following the taxable year in which such payment is received.

(2) ELECTION.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the election under paragraph (1)(B) shall be made at such time, in such form and manner, and with respect to such categories of advance payments, as the Secretary may provide.

(B) PERIOD TO WHICH ELECTION APPLIES.—An election under paragraph (1)(B) or (1)(C) shall be effective for the taxable year with respect to which it is first made and for all subsequent taxable years, unless the taxpayer secures the consent of the Secretary to revoke such election. For purposes of this title, the computation of taxable income under an election made under paragraph (1)(B) or (1)(C) shall be treated as a method of accounting.

(C) PROPERTY INCLUDABLE IN INVENTORY NOT ELIGIBLE FOR ELECTION.—A taxpayer may not make an election under paragraph (1)(B) for advance payments for the sale of goods properly includible in inventory for which the taxpayer has received substantial advanced payments and the taxpayer has on hand goods of substantially similar kind and in sufficient quantity to satisfy the agreement in the year the advance payment is received.

(3) TAXPAYERS CEASING TO EXIST.—Except as otherwise provided by the Secretary, the election under paragraph (1)(B) shall not apply with respect to advance payments received by the taxpayer during a taxable year if such taxpayer ceases to exist during (or with the close of) such taxable year.

(4) ADVANCE PAYMENT.—For purposes of this subsection—

(A) IN GENERAL.—The term ''advance payment'' means any payment—

(i) the full inclusion of which in the gross income of the taxpayer for the taxable year of receipt is a permissible method of accounting under this section (determined without regard to this subsection), and

(ii) which is for goods, services, or

SA 1809. Mr. HATCH submitted an amendment intended to be proposed by him to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

On page 30, line 3, insert ''or the trade or business of performing services as an employee'' after ''business''.

SA 1810. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 1618 proposed by Mr. MCCONNELL (for Mr. HATCH (for himself and Ms. MURKOWSKI)) to the bill H.R. 1, to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 13201. TEMPORARY 100-PERCENT EXPENSING FOR CERTAIN BUSINESS ASSETS.

(a) INCREASED EXPENSING.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (1)(A), by striking ''50 percent'' and inserting ''the applicable percentage'', and

(B) in paragraph (5)(A)(i), by striking ''50 percent'' and inserting ''the applicable percentage''.

(2) APPLICABLE PERCENTAGE.—Paragraph (6) of section 168(k) is amended to read as follows:

''(6) APPLICABLE PERCENTAGE.—For purposes of this subsection—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'applicable percentage' means—

''(i) in the case of property placed in service after September 27, 2017, and before January 1, 2023, 100 percent,

''(ii) in the case of property placed in service after December 31, 2022, and before January 1, 2024, 80 percent,

''(iii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 60 percent,

''(iv) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 40 percent, and

''(v) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 20 percent.

''(B) RULE FOR PROPERTY WITH LONGER PRODUCTION PERIODS.—In the case of property described in paragraph (2)(B) or (C), the term 'applicable percentage' means—

''(i) in the case of property placed in service after September 27, 2017, and before January 1, 2024, 100 percent,

''(ii) in the case of property placed in service after December 31, 2023, and before January 1, 2025, 80 percent,

''(iii) in the case of property placed in service after December 31, 2024, and before January 1, 2026, 60 percent,

''(iv) in the case of property placed in service after December 31, 2025, and before January 1, 2027, 40 percent, and

''(v) in the case of property placed in service after December 31, 2026, and before January 1, 2028, 20 percent.

''(C) RULE FOR PLANTS BEARING FRUITS AND NUTS.—In the case of a specified plant described in paragraph (5), the term 'applicable percentage' means—

''(i) in the case of a plant which is planted or grafted after September 27, 2017, and before January 1, 2023, 100 percent,

''(ii) in the case of a plant which is planted or grafted after December 31, 2022, and before January 1, 2024, 80 percent,

''(iii) in the case of a plant which is planted or grafted after December 31, 2023, and before January 1, 2025, 60 percent,

''(iv) in the case of a plant which is planted or grafted after December 31, 2024, and before January 1, 2026, 40 percent, and

''(v) in the case of a plant which is planted or grafted after December 31, 2025, and before January 1, 2027, 20 percent.''.

(3) CONFORMING AMENDMENT.—Paragraph (5) of section 168(k) is amended by striking subparagraph (F).

(b) EXTENSION.—

(1) IN GENERAL.—Section 168(k) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A)(iii), clauses (i)(III) and (ii) of subparagraph (B), and subparagraph (E)(i), by striking ''January 1, 2020'' each place it appears and inserting ''January 1, 2026'', and

(ii) in subparagraph (B)—

(I) in clause (i)(II), by striking ''January 1, 2021'' and inserting ''January 1, 2027'', and

(II) in the heading of clause (ii), by striking ''PRE-JANUARY 1, 2020'' and inserting ''PRE-JANUARY 1, 2026'', and

(B) in paragraph (5)(A), by striking ''January 1, 2020'' and inserting ''January 1, 2026''.

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 460(c)(6)(B) is amended by striking ''January 1, 2020 (January 1, 2021'' and inserting ''January 1, 2026 (January 1, 2027''.

(B) The heading of section 168(k) is amended by striking ''ACQUIRED AFTER DECEMBER 31, 2007, AND BEFORE JANUARY 1, 2020''.

(c) EXCEPTION FOR PUBLIC UTILITIES.—Section 168(k) is amended by adding at the end the following new paragraph:

''(8) EXCEPTION FOR CERTAIN PUBLIC UTILITY PROPERTY.—The term 'qualified property' shall not include any property which is primarily used in a trade or business described in clause (iv) of section 163(j)(7)(A).''.

(d) SPECIAL RULE.—Section 168(k), as amended by subsection (c), is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR PROPERTY PLACED IN SERVICE DURING CERTAIN PERIODS.—

''(A) IN GENERAL.—In the case of qualified property placed in service by the taxpayer

during the first taxable year ending after September 27, 2017, if the taxpayer elects to have this paragraph apply for such taxable year, paragraphs (1)(A) and (5)(A)(i) shall be applied by substituting '50 percent' for 'the applicable percentage'.

''(B) FORM OF ELECTION.—Any election under this paragraph shall be made at such time and in such form and manner as the Secretary may prescribe.''.

(e) COORDINATION WITH SECTION 280F.—Section 168(k)(2)(F) is amended by striking clause (iii).

(f) QUALIFIED FILM AND TELEVISION AND LIVE THEATRICAL PRODUCTIONS.—

(1) IN GENERAL.—Clause (i) of section 168(k)(2)(A), as amended by section 13204, is amended—

(A) in subclause (II), by striking ''or'',

(B) in subclause (III), by adding ''or'' after the comma, and

(C) by adding at the end the following:

''(IV) which is a qualified film or television production (as defined in subsection (d) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (g) of such section or this subsection, or

''(V) which is a qualified live theatrical production (as defined in subsection (e) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (g) of such section or this subsection,''.

(2) PRODUCTION PLACED IN SERVICE.—Paragraph (2) of section 168(k) is amended by adding at the end the following:

''(H) PRODUCTION PLACED IN SERVICE.—For purposes of subparagraph (A)—

''(i) a qualified film or television production shall be considered to be placed in service at the time of initial release or broadcast, and

''(ii) a qualified live theatrical production shall be considered to be placed in service at the time of the initial live staged performance.''.

(g) EFFECTIVE DATES.—The amendments made by this section shall apply to property placed in service, and specified plants planted after, after September 27, 2017, in taxable years ending after such date.

AUTHORITY FOR COMMITTEES TO MEET

Mr. GARDNER. Mr. President, I have 4 requests for committees to meet during today's session of the Senate. They have the approval of the Majority and Minority leaders.

Pursuant to rule XXVI, paragraph 5(a), of the Standing Rules of the Senate, the following committees are authorized to meet during today's session of the Senate:

COMMITTEE ON ARMED SERVICES

The Committee on Armed Services is authorized to meet during the session of the Senate on Thursday, November 30, 2017, at 10 a.m. to conduct a hearing.

COMMITTEE ON FOREIGN RELATIONS

The Committee on Foreign Relations is authorized to meet during the session of the Senate on Thursday, November 30, 2017, at 10 a.m. to conduct a hearing on the following nominations: M. Lee McClenny, of Washington, to be Ambassador to the Republic of Paraguay, Carlos Trujillo, of Florida, to be Permanent Representative to the Organization of American States, with the rank of Ambassador, and Kenneth J. Braithwaite, of Pennsylvania, to be Ambassador to the Kingdom of Norway, all of the Department of State, and Brock D. Bierman, of Virginia, to be an Assistant Administrator of the United States Agency for International Development.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

The Committee on Health, Education, Labor, and Pensions is authorized to meet during the session of the Senate on Thursday, November 30, 2017, at 10 a.m. in room SD–430 to conduct a hearing.

SELECT COMMITTEE ON INTELLIGENCE

The Select Committee on Intelligence is authorized to meet during the session of the Senate on Thursday, November 30, 2017, at 2 p.m., in room SH–219 to hold a closed hearing.

PRIVILEGES OF THE FLOOR

Mr. PERDUE. Mr. President, I ask unanimous consent that Madison Lynn, a fellow in my office, be granted floor privileges for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 254—PRINT CORRECTION

On Wednesday, November 29, 2017, the Senate passed S. 254, as amended. The corrected text of the bill as passed is as follows:

S. 254

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Esther Martinez Native American Languages Preservation Act''.

SEC. 2. NATIVE AMERICAN LANGUAGES GRANT PROGRAM.

Section 803C of the Native American Programs Act of 1974 (42 U.S.C. 2991b–3) is amended—

(1) in subsection (b)(7)—

(A) in subparagraph (A)(i), by striking ''10'' and inserting ''5''; and

(B) in subparagraph (B)(i), by striking ''15'' and inserting ''10''; and

(2) in subsection (e)(2)—

(A) by striking ''or 3-year basis'' and inserting ''3-year, 4-year, or 5-year basis''; and

(B) by inserting '', 4-year, or 5-year'' after ''on a 3-year''.

SEC. 3. REAUTHORIZATION OF NATIVE AMERICAN LANGUAGES PROGRAM.

(a) IN GENERAL.—Section 816(e) of the Native American Programs Act of 1974 (42 U.S.C. 2992d(e)) is amended by striking ''such sums'' and all that follows through the period at the end and inserting ''$13,000,000 for each of fiscal years 2019 through 2023.''.

(b) TECHNICAL CORRECTION.—Section 816 of the Native American Programs Act of 1974 (42 U.S.C. 2992d) is amended in subsections (a) and (b) by striking ''subsection (e)'' each place it appears and inserting ''subsection (d)''.

S. 669—PRINT CORRECTION

On Wednesday, November 29, 2017, the Senate passed S. 669, as amended. The corrected text of the bill as passed is as follows:

S. 669

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Columbia River In-Lieu and Treaty Fishing Access Sites Improvement Act''.

SEC. 2. SANITATION AND SAFETY CONDITIONS AT CERTAIN BUREAU OF INDIAN AFFAIRS FACILITIES.

(a) ASSESSMENT OF CONDITIONS.—The Secretary of the Interior, acting through the Bureau of Indian Affairs, in consultation with the affected Columbia River Treaty tribes, may assess current sanitation and safety conditions on lands held by the United States for the benefit of the affected Columbia River Treaty tribes, including all permanent Federal structures and improvements on those lands, that were set aside to provide affected Columbia River Treaty tribes access to traditional fishing grounds—

(1) in accordance with the Act of March 2, 1945 (59 Stat. 10, chapter 19) (commonly known as the ''River and Harbor Act of 1945''); or

(2) in accordance with title IV of Public Law 100–581 (102 Stat. 2944).

(b) EXCLUSIVE AUTHORIZATION; CONTRACTS.—The Secretary of the Interior, acting through the Bureau of Indian Affairs—

(1) subject to paragraph (2)(B), shall be the only Federal agency authorized to carry out the activities described in this section; and

(2) may delegate the authority to carry out activities described in paragraphs (1) and (2) of subsection (c)—

(A) through one or more contracts entered into with an Indian tribe or tribal organization under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5301 et seq.); or

(B) to include other Federal agencies that have relevant expertise.

(c) DEFINITION OF AFFECTED COLUMBIA RIVER TREATY TRIBES.—In this section, the term ''affected Columbia River Treaty tribes'' means the Nez Perce Tribe, the Confederated Tribes of Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon, and the Confederated Tribes and Bands of the Yakama Nation.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Interior such sums as are necessary, to remain available until expended—

(1) for improvements to existing structures and infrastructure to improve sanitation and safety conditions assessed under subsection (a); and

(2) to improve access to electricity, sewer, and water infrastructure, where feasible, to reflect needs for sanitary and safe use of facilities referred to in subsection (a).

SEC. 3. STUDY OF ASSESSMENT AND IMPROVEMENT ACTIVITIES.

The Comptroller General of the United States, in consultation with the Committee on Indian Affairs of the Senate, shall—

(1) conduct a study to evaluate whether the sanitation and safety conditions on lands held by the United States for the benefit of the affected Columbia River Treaty tribes (as defined in section 2) have improved as a result of the activities authorized in section 2; and

(2) prepare and submit to the Committee on Indian Affairs of the Senate and the Committee on Natural Resources of the House of Representatives a report containing the results of that study.